CAIIB 2026

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CHAPTER 01
Demographic Features

Oct/Nov 2013

1. Which state reported the maximum Crude Birth Rate (CBR) during 2018?
(A) Uttar Pradesh
(B) Madhya Pradesh
(C) Chhattisgarh
(D) Bihar

May/June 2021

2. How does the GDI utilize the HDI methodology to reveal gender disparities?
(A) By calculating the geometric mean of HDI scores of all five recognized gender parity groups.
(B) By substituting per capita income with the total wealth possessed exclusively by females in a country.
(C) By calculating the ratio of female HDI to male HDI using the same component indicators.
(D) By replacing the standard of living dimension with maternal mortality and adolescent birth rates.

Oct/Nov 2008

3. What constitutes an "agricultural establishment"?
(A) Establishments engaged exclusively in seasonal crop production and plantations by individual farmers or rural groups.
(B) Establishments involved solely in the distribution of agricultural goods and services primarily for personal consumption.
(C) Establishments producing agricultural goods (excluding crops/plantations) and services for market sale.
(D) Establishments engaged in crop production, public administration for agricultural policy, and state-managed forestry sectors.

May/June 2010

4. Read the following statements regarding the employment scenario in agricultural establishments:
(A) About 50% of the employment in agricultural establishments was found in urban areas.
(B) Females constituted 38.85% of total employment in agricultural establishments.
(C) The maximum employment was found under the 'forestry and logging' sector.
(D) Agricultural establishments accounted for 82.57% of the total employment in the country.
Which of the above statement(s) is/are correct?

Oct/Nov 2024

5. What implies the concept of "demographic dividend" in the context of a population structure?
(A) A scenario where the population pyramid becomes cylindrical due to stabilized and consistent fertility rates.
(B) Economic growth resulting from a large working-age population relative to the dependent population.
(C) A phase where the aging population contributes to higher national savings and foreign direct investments.
(D) The point at which the crude birth rate equals the crude death rate, yielding a stable population.

May/June 2005

6. Read the following statements regarding the Human Development Index (HDI):
(A) Assessed by the unemployment rate of the working population.
(B) Assessed by infant mortality rate.
(C) Assessed by life expectancy at birth.
(D) Assessed by the total number of hospital beds per capita.
Which of the above statement(s) is/are correct?

Oct/Nov 2016

7. What defines the "Human Development Index (HDI)"?
(A) The simple arithmetic mean of indices representing life expectancy at birth, education levels, and gross per capita

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income.
(B) The geometric mean of normalized indices for health, education, and living standards.
(C) A composite statistic of life expectancy, maternal mortality, and gross domestic product per capita for national assessment.
(D) The geometric mean of life expectancy at birth, adult literacy rate, and gross national income per capita for each nation.

May/June 2023

8. How do the basic units of data collection in an Agriculture Census aid in socio-economic policy formulation?
(A) By exclusively surveying non-land record States through sample surveys to determine annual credit flow.
(B) By providing data on operational holdings, land use, and crop patterns by size and social group.
(C) By enumerating all non-agricultural establishments in rural areas to measure off-farm family income.
(D) By tracking the annual yield per hectare of cash crops across all large corporate agricultural holdings.

Oct/Nov 2005

9. Read the following statements regarding the sex ratio in India:
(A) The sex ratio of India reached an all-time high in the 1991 census.
(B) The sex ratio of India in the 2011 census is 943, which is largely comparable to the 1961 performance.
(C) The lowest sex ratio among all states in 2011 was recorded in Kerala.
(D) The sex ratio in the 0-6 age group showed a massive improvement, reaching 958 in 2011.
Which of the above statement(s) is/are correct?

May/June 2014

10. How many agricultural establishments were reported in India in the most recent national economic establishment survey?
(A) 8.05 million
(B) 45.36 million
(C) 13.13 million
(D) 58.50 million

Oct/Nov 2020

11. Read the following statements regarding migration trends:
(A) Over 80% of total migrants had relocated in the last ten years.
(B) Only 10% of all migrants were of rural origin.
(C) Of the total 45.36 crore migrants, almost two thirds (64.24%) had migrated more than 10 years back.
(D) The share of the rural component in migrant populations has increased significantly over the years.
Which of the above statement(s) is/are correct?

May/June 2008

12. How is the "Gender Development Index (GDI)" fundamentally measured?
(A) The simple arithmetic difference between female HDI scores and male HDI scores across specific dimensions.
(B) The geometric mean of gender disparities in life expectancy, literacy levels, and the standard of living.
(C) The ratio of HDIs calculated separately for females and males using the standard HDI methodology.
(D) The ratio of expected years of schooling for females to the expected years of schooling for males.

NODIA

Oct/Nov 2011

13. What signifies the "pull factor" in the context of rural-urban migration?
(A) Urban opportunities like employment and better living conditions that attract people from other areas.
(B) Socio-economic factors such as unemployment, hunger, and starvation that drive people out of villages.
(C) The migration of youth out of rural areas due to lack of security and ongoing ethnic conflicts.
(D) The seasonal movement of villagers into metropolitan cities during periods of extreme hardship.

May/June 2019

14. How does increasing population density relate to Malthusian concerns during a phase of economic expansion?
(A) The concern that an aging population will

lack the labor force necessary to sustain national output.
(B) The fear that technological advancements in agriculture will displace manual labor and cause unemployment.
(C) The requirement that the means of subsistence must match the geometric population increase.
(D) The theory that urbanization will inevitably lead to a total collapse of rural agricultural production.

Oct/Nov 2007

15. Read the following statements regarding the percentage share of female operational holders:
(A) The percentage share of female operational holders decreased from 13.96% in 2010-11 to 12.79% in 2015-16.
(B) The percentage share of female operational holders increased from 12.79% in 2010-11 to 13.96% in 2015-16.
(C) Participation of female operational holders was lowest under the marginal category in 2015-16.
(D) Female operational holders belonging to SC and ST social groups were estimated at 25.51% combined.
Which of the above statement(s) is/are correct?

May/June 2006

16. How is the adult literacy rate calculated?
(A) Number of literates divided by the population of that age group, expressed as a percentage.
(B) Number of literates aged 15 and above divided by the total population including those below school age.
(C) Total population minus the number of illiterates aged 7 and above, calculated across all regional zones.
(D) Number of school-enrolled children divided by the total population aged 6 to 14 years for specific regions.

Oct/Nov 2018

17. Read the following statements regarding the distribution of establishments across rural and urban areas:
(A) 59.48% of total establishments are in rural areas and 40.52% are in urban areas.
(B) 77.55% of total establishments are in rural areas and 22.45% are in urban areas.
(C) 40.52% of total establishments are in rural areas and 59.48% are in urban areas.
(D) 22.45% of total establishments are in rural areas and 77.55% are in urban areas.
Which of the above statement(s) is/are correct?

May/June 2011

18. What was the average literacy rate in India according to 2011 data?
(A) 74.04%
(B) 63.82%
(C) 64.80%
(D) 65.50%

Oct/Nov 2022

19. Why is the dropout rate among marginalized sections considered a major hurdle in the universalization of basic education?
(A) It artificially inflates the national drop-out rate at the primary level above the 15% threshold.
(B) Financial instability and cultural barriers lead to a total cessation of schooling for urban youth.
(C) It causes an imbalance in the reservation system under the Central Educational Institutions Act 2006.
(D) Poverty and prejudices hinder the ability to check dropout rates, preventing equitable access.

May/June 2025

20. Why are primary cultivators typically excluded from economic establishment enumerations?
(A) They are already covered under the specific data collection of the national Agriculture Census.
(B) They do not engage in activities where at least some part of the final production is sold.
(C) Agricultural establishments strictly comprise only livestock management and hunting activities.
(D) Cultivators operate solely for the purpose of their own personal or household consumption.

Oct/Nov 2015

21. Read the following statements regarding the Rashtriya Bal Swasthya Karyakram (RBSK):
(A) It is an initiative providing institutional delivery incentives to pregnant women.

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(B) It aims at early identification and intervention for children from birth to 18 years to cover 4 'D's.
(C) It provides financial assistance to patients below the poverty line for life-threatening diseases.
(D) It is an immunization campaign to eliminate polio across the nation.

Which of the above statement(s) is/are correct?

May/June 2017

22. What percentage of the world geographical area does India account for?
(A) 2.4%
(B) 4.5%
(C) 7.2%
(D) 17.0%

Oct/Nov 2012

23. Why is the shape of population pyramids in developed countries almost cylindrical instead of a pyramid?
(A) High mortality and high fertility rates that naturally balance each other out over several decades.
(B) High inward migration offsetting low fertility rates to create a bulge in the working-age groups.
(C) Dependency ratios that are significantly decreased through targeted government social interventions.
(D) Equal distribution across age cohorts due to high life expectancy and low fertility.

May/June 2022

24. Read the following statements regarding literacy trends observed between 2001 and 2011:
(A) The female literacy rate declined from 65.5% in 2001 to 53.7% in 2011.
(B) The average literacy rate in India achieved 85.00% in the 2011 Census.
(C) The literacy rate in India was calculated for people above six years of age prior to 1981.
(D) India managed to achieve a literacy rate of 74.04% in 2011 as compared to 64.80% in 2001.

Which of the above statement(s) is/are correct?

Oct/Nov 2009

25. In the context of economic performance, why is population health increasingly viewed as an instrument of economic growth?
(A) A healthier workforce consumes more medical services, boosting the healthcare sector's GDP contribution.
(B) Health improves productivity, keeps children in school, increases savings, and attracts investment.
(C) Healthier populations have lower savings rates, stimulating immediate domestic consumption and retail growth.
(D) Health directly correlates with higher fertility rates, expanding the future demographic dividend base.

May/June 2013

26. How is a "non-agricultural establishment" defined?
(A) Establishments engaged primarily in agricultural support services, hunting, trapping, and local public administration duties.
(B) Establishments involved in intensive crop production, large plantation management, and related agricultural service activities.
(C) Establishments engaged in national defense, compulsory social security, and production of goods for personal use only.
(D) Establishments engaged in mining, manufacturing, trade, and services, excluding crop production and plantations.

Oct/Nov 2019

27. Read the following statements concerning the categorization of agricultural operational holdings:
(A) Marginal holdings are defined as 1.00 - 2.00 hectares.
(B) Small holdings are defined as below 1.00 hectare.
(C) Medium holdings are defined as 4.00 - 10.00 hectares.
(D) Large holdings are defined as 2.00 - 4.00 hectares.

Which of the above statement(s) is/are correct?

May/June 2015

28. Based on nutrition reports from 2020, what percentage of India's population is under-nourished?
(A) 12%
(B) 14%
(C) 20%
(D) 34.7%

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Oct/Nov 2017

29. Read the following statements regarding India's demographic transition:
(A) India is currently at stage four of the demographic transition model.
(B) Percentage of decadal growth rate of population has been increasing since 1971-81.
(C) India's population growth rate during 2000-2010 was higher than that of developed countries like Japan and USA.
(D) China registered a higher population growth rate than India during 2000-2010.
Which of the above statement(s) is/are correct?

May/June 2012

30. What makes literacy an empowering tool for social and human development?
(A) A tool that guarantees long-term employment in the organized sector for all qualified individuals.
(B) A developmental milestone that completely replaces the need for specialized vocational training programs.
(C) A factor that automatically leads to a demographic transition from stage three to stage four.
(D) The ability to read, write, and comprehend information to communicate and understand one's surroundings.

Oct/Nov 2006

31. Read the following statements regarding the Gender Development Index (GDI):
(A) GDI measures gender gaps in human development achievements by accounting for disparities between women and men.
(B) GDI is the ratio of the HDIs calculated separately for females and males.
(C) Countries are grouped into five categories based on the absolute deviation from gender parity in HDI values.
(D) GDI exclusively takes into consideration gender gaps favoring females over males.
Which of the above statement(s) is/are incorrect?

May/June 2024

32. The basic education program aims for universalization, requiring examination of several issues to bring about improvement. These issues include all of the following EXCEPT:
(A) Curriculum and teaching practices need upgradation.
(B) Compulsory military training must be integrated into primary schools.
(C) Public-private partnerships need to be explored.
(D) More vocational education is required to adequately prepare youth for current jobs.

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Oct/Nov 2025

33. Read the following statements concerning provisions of the Constitution of India related to educational rights:
(A) Article 30 gives all minorities the right to establish and administer institutions of their own choice.
(B) Article 21 (A) was amended to provide free and compulsory education as a fundamental right to all children aged between 6 and 14 years.
(C) Article 15, 17, and 46 safeguard the educational interests of weaker sections.
(D) Article 41, 45, and 46 instruct the state to ensure that all citizens receive free higher education up to university level.
Which of the above statement(s) is/are incorrect?

May/June 2009

34. Why is the logarithm of income used in the calculation of the Human Development Index (HDI)?
(A) To artificially inflate the HDI score of developing nations to match developed counterparts.
(B) To strictly correlate life expectancy directly with educational attainment across all regions.
(C) To account for the absolute deviation from gender parity within the three dimensions of HDI.
(D) To reflect the diminishing importance of income as Gross National Income (GNI) increases.

Oct/Nov 2010

35. The Constitution of India safeguards the educational interests of weaker sections under several articles. Which of the following is NOT one of those articles?
(A) Article 15
(B) Article 17
(C) Article 21
(D) Article 46

May/June 2020

36. What best explains the decline in the share of marriage as a primary motive for migration in the last 10 years?
(A) Employment and education are becoming significantly more important drivers for recent migrants.
(B) Changes in cultural norms have completely eliminated marriage-related movement in rural areas.
(C) Political disturbances have forced recent migrants to ignore social factors entirely when moving.
(D) Agricultural establishments now provide enough employment to stop all types of rural-urban migration.

Oct/Nov 2014

37. Read the following statements regarding global population growth rates:
(A) World population grew at an annual rate of 1.23% during 2000-2010.
(B) Developing countries like India registered a higher growth rate of 1.30%.
(C) The population of developed countries like Japan and USA grew at a faster pace than India.
(D) Russia witnessed a decline in population during the 2000-2010 period.
Which of the above statement(s) is/are incorrect?

May/June 2018

38. The Human Development Index (HDI) is a summary measure of average achievement in key dimensions. It simplifies human development and does NOT reflect on:
(A) Inequalities
(B) Health dimensions
(C) Educational standards
(D) Gross National Income per capita

Oct/Nov 2023

39. Which measure best explains the Government's approach to improving literacy standards by addressing immediate nutritional needs?
(A) Samagra Shiksha Program
(B) Rashtriya Swasthya Bima Yojana
(C) Mission Indra Dhanush
(D) Mid-Day Meal Scheme

May/June 2007

40. Read the following statements regarding India's nutritional status and rankings:
(A) India is the largest producer of milk and pulses in the world.
(B) India was ranked 102 out of 117 qualifying countries in the Global Hunger Index 2019.
(C) Approximately 35% of malnourished children in the country are below the age of five years.
(D) According to the FAO, India has completely eradicated under-nourishment as of 2020.
Which of the above statement(s) is/are incorrect?

Oct/Nov 2021

41. Arrange the following states in descending order based on their percentage share in total establishments:
I West Bengal
II Maharashtra
III Tamil Nadu
IV Uttar Pradesh
(A) (I), (II), (IV), (III)
(B) (IV), (II), (I), (III)
(C) (IV), (III), (II), (I)
(D) (II), (IV), (I), (III)

May/June 2016

42. Read the following statements regarding employment in non-agricultural activities:
(A) About 108.41 million persons worked in non-agricultural establishments.
(B) Female workers constituted 22.28% of total employment in non-agricultural establishments.
(C) About 80% of female workers in non-agricultural establishments were found in rural areas.
(D) The 'manufacturing' sector employed the maximum number of workers in non-agricultural activities.
Which of the above statement(s) is/are incorrect?

Oct/Nov 2013

43. Large-scale supplementary feeding programs aimed at overcoming specific deficiency diseases include all of the following EXCEPT:
(A) Special Nutrition Program (SNP)
(B) Mission Indra Dhanush
(C) Balwadi Nutrition Program (BNP)
(D) Mid-day Meal Programs (MDM)

May/June 2014

44. Economic establishment surveys typically exclude all of the following EXCEPT:

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(A) Crop production and plantation
(B) Public administration and defence
(C) Compulsory social security
(D) Manufacturing of handicrafts

Oct/Nov 2022

45. What is the primary role of the University Grants Commission (UGC) established in 1953?
(A) To formulate demographic surveys for providing reliable annual estimates.
(B) To implement the Agriculture Census Scheme quinquennially.
(C) To regulate the standard and spread of higher education in India.
(D) To measure gender gaps in human development achievements globally.

May/June 2005

46. Read the following statements regarding the calculation of literacy rate in India:
(A) From 1991, the literacy rate in India was calculated for people above seven years of age.
(B) In censuses prior to 1981, the literacy rate was calculated by taking into account the entire population.
(C) The literacy rate is calculated by dividing the number of literates of a given age range by the corresponding age group population and multiplying the result by 100.
(D) From 1991, the calculation of the literacy rate included people aged between 0-6 years to ensure comprehensive demographic coverage.
Which of the above statement(s) is/are incorrect?

Oct/Nov 2008

47. What is the most critical objective behind the creation of village maps and registers regarding land records?
(A) To distribute prophylaxis against nutritional anemia efficiently.
(B) To generate basic data for land revenue assessment.
(C) To enforce compulsory social security for landless laborers.
(D) To regulate the public-private partnerships in higher education.

May/June 2021

48. Read the following statements regarding challenges faced by the health sector in India:
(A) Expenditure on public health funding is consistently low in India, approximately 1.3% of GDP.
(B) There is no single authority responsible for public health that is legally empowered to issue guidelines and enforce compliance.
(C) India's total out-of-pocket expenditure is around 0.5% of GDP, which is lower than the global average.
(D) The existing public primary health care model represents only 15% of all morbidities for which people seek care.
Which of the above statement(s) is/are incorrect?

Oct/Nov 2017

49. Migrations are caused by a variety of factors. The "push factors" responsible for rural-urban migration include all of the following EXCEPT:
(A) Employment scope
(B) Rural unemployment
(C) Chronic hunger
(D) Severe starvation

May/June 2009

50. The concept of agricultural operational holdings excludes holdings exclusively engaged in all of the following EXCEPT:
(A) Livestock
(B) Poultry
(C) Crop production
(D) Fishing

Oct/Nov 2006

51. What is the most significant factor making health an emergent central imperative for poverty alleviation?
(A) Health directly increases the geographical area of operational holdings held by landless farmers.
(B) Health eliminates the need for any governmental financial assistance or social welfare programs.
(C) Health policies automatically lead to a substantial reduction in the total gross cropped area.
(D) Labor is the main asset of the poor, and its value is crucially determined by their health.

NODIA

May/June 2023

52. Read the following statements regarding the findings of national agricultural data from 2015-16:
(A) The total number of operational holdings increased to 146.45 million.
(B) The total operated area in the country increased from 157.82 million ha to 159.59 million ha.
(C) The highest percentage share of operational holdings was observed in the marginal category.
(D) The average size of operational holdings declined to 1.08 ha.
Which of the above statement(s) is/are incorrect?

Oct/Nov 2012

53. All of the following states are classified as Empowered Action Group (EAG) states, EXCEPT:
(A) Uttar Pradesh
(B) Bihar
(C) Kerala
(D) Jharkhand

May/June 2011

54. What best justifies the exclusion of public administration and defence from standard economic establishment data?
(A) They are completely unregulated sectors with no reliable national or international data sources.
(B) They are strictly handled by international organizations like the United Nations and the World Bank.
(C) They do not produce goods for sale and are considered inherently non-commercial state functions.
(D) They account for less than 1% of the nation's total workforce according to current economic surveys.

Oct/Nov 2018

55. The Rashtriya Kishor Swasthya Karyakram focuses on all of the following principles EXCEPT:
(A) Free institutional deliveries for pregnant women
(B) Adolescent participation and leadership
(C) Equity and inclusion
(D) Gender Equity and strategic partnerships

May/June 2013

56. Read the following statements regarding national economic establishment data coverage:
(A) The census was conducted during the period January 2013 to April 2014.
(B) It covered all economic activities including crop production and plantation comprehensively.
(C) It excluded activities related to public administration, defence, and compulsory social security.
(D) It covered establishments engaged in the production of goods other than for the sole purpose of own consumption.
Which of the above statement(s) is/are incorrect?

Oct/Nov 2014

57. Which of the following best describes the core philosophy behind the Integrated Child Development Service (ICDS)?
(A) Providing a foundation for psychological, physical, and social development in children aged 0-6.
(B) Eradicating polio through widespread and mandatory vaccination campaigns for all children nationwide.
(C) Providing comprehensive health insurance coverage to workers in the unrecognized economic sectors.
(D) Upgrading government medical college institutions to handle the rise in non-communicable diseases.

May/June 2017

58. Read the following statements about higher education in India:
(A) The 86th constitutional amendment made higher education a fundamental right for all citizens up to the age of 21.
(B) The primary role of the University Grants Commission (UGC) is to regulate the standard and spread of higher education in India.
(C) The number of universities increased from 20 in the year 1950 to over 1000 in the year 2020.
(D) Central Educational Institutions Act 2006 reserves 27% seats for the non-creamy layers of the Other Backward Classes.
Which of the above statement(s) is/are incorrect?

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Oct/Nov 2025

59. What is the primary reason India currently reflects the characteristics of stage three of the demographic transition model?
(A) The country relies heavily on a rigid Malthusian growth model restricting birth measures and population size.
(B) The infant mortality rate has reached near zero across all non-EAG states due to medical advancements.
(C) Fertility and mortality have fallen significantly, yet the population continues to grow at a slower pace.
(D) The decadal growth rate has increased exponentially since 2001 across all major states and territories.

May/June 2019

60. Among the major states, all of the following had the highest number of women-owned establishments EXCEPT:
(A) Tamil Nadu
(B) Andhra Pradesh
(C) Kerala
(D) Haryana

Oct/Nov 2011

61. Read the following lists regarding agricultural operational holding categories (2015-16):
List I: (Category)
P. Marginal
Q. Small
R. Semi-medium
S. Large
List II: (Percentage Share of Holdings)
1. 17.6%
2. 9.6%
3. 0.6%
4. 68.5%
(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-4, R-3, S-2
(C) P-2, Q-3, R-4, S-1
(D) P-3, Q-2, R-1, S-4

May/June 2008

62. Read the following statements regarding agricultural operational holdings:
I The periodic Agriculture Census is tabulated by different size classes and social groups including Scheduled Castes and Scheduled Tribes.
II The concept of agricultural operational holdings includes holdings that operate no agricultural land but are engaged exclusively in livestock, poultry, and fishing.
Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

NODIA

Oct/Nov 2020

63. Read the following lists regarding literacy rate characteristics:
List I: (Category)
P. Kerala
Q. Bihar
R. Mizoram
S. National average female literacy rate (2011)
List II: (Literacy Rate)
1. 63.82%
2. 65.5%
3. 91.33%
4. 93.91%
(A) P-4, Q-1, R-3, S-2
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-2, R-4, S-1
(D) P-2, Q-3, R-1, S-4

May/June 2024

64. Read the following statements concerning health sector initiatives:
I National AIDS Control Organization works in isolation from NGOs to maintain data confidentiality.
II National TB Control Program is a state-run initiative providing free of cost diagnosis and treatment.
III Rashtriya Arogya Nidhi provides financial assistance to patients below the poverty line suffering from life-threatening diseases.
Which of the above statement(s) is/are correct?
(A) Only (I) and (II) are correct
(B) Only (II) and (III) are correct
(C) Only (I) and (III) are correct
(D) (I), (II), and (III) are correct

Oct/Nov 2005

65. Which of the following pairs of demographic indicators and their 2018 national statistics is correctly matched?
(A) Total Fertility Rate (TFR) - 2.2
(B) Infant Mortality Rate (IMR) - 33
(C) Crude Birth Rate (CBR) - 26.2

(D) Crude Death Rate (CDR) - 3.3

May/June 2025

66. Read the following statements about the economic impact of health and longevity:

I A healthier workforce avoids physical and mental disabilities, increasing productivity.

II Healthier children stay in school longer, resulting in a more educated workforce.

III Healthy populations tend to have lower savings rates due to increased consumption.

IV Healthy populations attract foreign direct investment.

Which of the above statement(s) is/are correct?

(A) Only (I), (II), and (III) are correct

(B) Only (I), (II), and (IV) are correct

(C) Only (II), (III), and (IV) are correct

(D) (I), (II), (III), and (IV) are correct

Oct/Nov 2015

67. Arrange the categories of operational holdings in ascending order based on their percentage share in total operated area:

I Semi-Medium holdings

II Small holdings

III Medium holdings

IV Marginal holdings

(A) (II), (III), (I), (IV)

(B) (IV), (II), (I), (III)

(C) (III), (I), (II), (IV)

(D) (I), (II), (III), (IV)

May/June 2006

68. Read the following statements regarding population growth:

I The percentage of decadal growth rate of population has been declining since 1971-81 at the all-India level.

II During the 2011 census, a significant fall in the decadal growth rate was noticed for the first time in Empowered Action Group (EAG) States.

Which of the above statement(s) is/are correct?

(A) Only (I)

(B) Only (II)

(C) Both (I) and (II)

(D) Neither (I) nor (II)

Oct/Nov 2016

69. Read the following statements about education and literacy measures in India:

I The Samagra Shiksha Program measures school effectiveness in terms of equal opportunities and equitable learning outcomes.

II Youth literacy rate in India is measured for people aged between 15-24 years.

III The 86th Constitutional Amendment Act designated elementary education as a fundamental right for children aged 6 to 18 years.

Which of the above statement(s) is/are correct?

(A) Only (I) and (II) are correct

(B) Only (II) and (III) are correct

(C) Only (I) and (III) are correct

(D) (I), (II), and (III) are correct

May/June 2015

70. Read the following lists regarding health program objectives:

List I: (Health Program)

P. Mission Indra Dhanush

Q. National Mental Health Program

R. Pulse Polio

S. Pradhan Mantri Swasthya Suraksha Yojana

List II: (Primary Objective)

1. Correcting regional imbalances in tertiary healthcare
2. Eradicating a specific viral disease in children under five
3. Improving coverage of immunization
4. Addressing the shortage of qualified psychiatric professionals

(A) P-3, Q-4, R-2, S-1

(B) P-1, Q-3, R-4, S-2

(C) P-4, Q-2, R-1, S-3

(D) P-2, Q-1, R-3, S-4

Oct/Nov 2019

71. Read the following statements concerning higher education and universalization of basic education:

I The national drop-out rate at the primary level reduced to 1.28 percent in 2016.

II The drop-out rate at the secondary level hovers around 17 percent.

III Central Educational Institutions Act 2006 reserves 15 percent seats for Scheduled Tribes.

IV Only 70 students out of 100 finish school in India on an average.

Which of the above statement(s) is/are correct?

(A) Only (I), (II), and (III) are correct

(B) Only (I), (II), and (IV) are correct

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(C) Only (II), (III), and (IV) are correct
(D) (I), (II), (III), and (IV) are correct

May/June 2022

72. Read the following lists regarding employment shares in the non-agricultural sector:
List I: (Activity)
P. Manufacturing
Q. Retail trade
R. Education
S. Total non-agricultural employment share of these three combined
List II: (Percentage Share)
1. 25.08%
2. 65.2%
3. 30.3%
4. 9.77%
(A) P-3, Q-1, R-4, S-2
(B) P-1, Q-2, R-3, S-4
(C) P-2, Q-4, R-1, S-3
(D) P-4, Q-3, R-2, S-1

Oct/Nov 2007

73. Read the following statements regarding economic establishment data:
I Establishments engaged in activities pertaining to crop production and plantations were extensively covered in national establishment censuses.
II Services incidental to crop production, such as machinery for tilling provided for a fee, are typically included.
Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2012

74. Which of the following pairs of health challenges and their descriptions is correctly matched?
(A) Overlapping Jurisdiction - Expenditure on public health funding remains consistently low.
(B) Supply-Side Deficiencies - Provision of services is limited to basic pregnancy and child care.
(C) Sub-optimal Public Health System - Diminishes preparedness and management for emerging threats.
(D) Lack of Primary Healthcare Services - Absence of supportive supervision for community health workers.

Oct/Nov 2010

75. Read the following statements related to 2015-16 Agriculture Census data:
I The total number of operational holdings increased by 5.86 percent compared to 2010-11.
II The total operated area in the country increased from 157.82 million hectares to 159.59 million hectares.
III The average size of operational holdings declined to 1.08 hectares.
IV The percentage share of female operational holders increased from 12.79 percent to 13.96 percent.
Which of the above statement(s) is/are correct?
(A) Only (I), (II), and (III) are correct
(B) Only (I), (III), and (IV) are correct
(C) Only (II), (III), and (IV) are correct
(D) (I), (II), (III), and (IV) are correct

May/June 2007

76. Read the following lists regarding State/UT sex ratios:
List I: (State/UT)
P. Haryana
Q. Jammu & Kashmir
R. Daman & Diu
S. Dadra & Nagar Haveli
List II: (Sex Ratio)
1. 883
2. 877
3. 775
4. 618
(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-3, Q-4, R-1, S-2

Oct/Nov 2009

77. Read the following statements about the Gender Development Index (GDI):
I GDI measures gender gaps using the same component indicators as the HDI.
II It is calculated as the ratio of female GNI to male GNI.
III Countries are grouped into five categories based on the absolute deviation from gender parity in HDI values.
Which of the above statement(s) is/are correct?
(A) Only (I) and (II) are correct

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(B) Only (I) and (III) are correct
(C) Only (II) and (III) are correct
(D) (I), (II), and (III) are correct

May/June 2020

78. Read the following lists regarding HDI indicators:
List I: (HDI Indicator)
P. Life expectancy at birth
Q. Expected years of schooling
R. GNI per capita
S. Mean years of schooling
List II: (Dimension)
1. A decent standard of living
2. Long and healthy life
3. Knowledge (children entering school age)
4. Knowledge (adults aged 25 and more)
(A) P-2, Q-3, R-1, S-4
(B) P-1, Q-4, R-2, S-3
(C) P-4, Q-2, R-3, S-1
(D) P-3, Q-1, R-4, S-2

Oct/Nov 2023

79. Read the following statements regarding rural-urban migration trends based on 2011 data:
I Of the total migrants in 2011, more than 50% had relocated more than ten years ago.
II For migrants who moved less than a year back, the share of marriage as a reason for migration dropped to 19%.
Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2010

80. Which of the following pairs of health initiatives and their target beneficiaries is incorrectly matched?
(A) Janani Shishu Suraksha Karyakaram - Needy pregnant women opting for institutional deliveries.
(B) Rashtriya Bal Swasthya Karyakram - Children from birth to 18 years.
(C) Rashtriya Swasthya Bima Yojana - Unrecognized sector workers below poverty line.
(D) Integrated Child Development Service - Adolescents seeking reproductive health guidance.

Oct/Nov 2021

81. Read the following statements regarding the nutrition scenario in India:
I India is the largest producer of milk and pulses globally.
II Despite high production, 14 percent of India's population is under-nourished.
III India ranked 102 out of 117 qualifying countries in the Global Hunger Index 2019.
IV Neighboring countries like Nepal and Bangladesh secured a lower (worse) rank than India in GHI 2019.
Which of the above statement(s) is/are correct?
(A) Only (I), (II), and (III) are correct
(B) Only (II), (III), and (IV) are correct
(C) Only (I), (III), and (IV) are correct
(D) (I), (II), (III), and (IV) are correct

May/June 2018

82. Read the following lists regarding the share of agricultural establishments:
List I: (State)
P. Gujarat
Q. Tamil Nadu
R. Maharashtra
S. Uttar Pradesh
List II: (Percentage Share)
1. 11.01%
2. 12.1%
3. 13.31%
4. 13.36%
(A) P-1, Q-2, R-3, S-4
(B) P-4, Q-3, R-2, S-1
(C) P-3, Q-4, R-1, S-2
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2024

83. Read the following lists regarding reasons for migration:
List I: (Reason and Timing)
P. Marriage (last 10 years)
Q. Employment (last 10 years)
R. Education (last 10 years)
S. Marriage (more than 10 years back)
List II: (Share Among Migrants)
1. 11.6%
2. 37.2%
3. 3.2%
4. 56.1%
(A) P-2, Q-1, R-3, S-4
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-2, R-4, S-1

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(D) P-4, Q-3, R-1, S-2

May/June 2023

84. Read the following statements regarding employment in agriculture based on national establishment data:

I About 92 percent of the employment in agricultural establishments was in rural areas.

II Females employed in agricultural establishments constituted over 50 percent of total employment in that sector.

III The maximum employment among agricultural activities was under the 'livestock' sector.

Which of the above statement(s) is/are correct?

(A) Only (I) and (II) are correct
(B) Only (I) and (III) are correct
(C) Only (II) and (III) are correct
(D) (I), (II), and (III) are correct

Oct/Nov 2012

85. Read the following statements regarding the calculation of literacy rates in India:

I In the censuses prior to 1981, the literacy rate in India was calculated by taking into account the entire population.

II From 1991, the calculation of the literacy rate involved excluding people aged between 0-6 years.

Which of the above statement(s) is/are correct?

(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2005

86. Read the following lists regarding constitutional provisions for education:

List I: (Constitutional Article)

P. Article 30
Q. Article 45
R. Article 21 (A)
S. Article 46

List II: (Provision)

1. Free and compulsory education as a fundamental right
2. Educational interests of weaker sections
3. Right of minorities to establish educational institutions
4. Directive principles for free and compulsory education

(A) P-2, Q-3, R-4, S-1
(B) P-3, Q-4, R-1, S-2
(C) P-1, Q-2, R-3, S-4
(D) P-4, Q-1, R-2, S-3

Oct/Nov 2008

87. Read the following statements regarding India's demographic profile:

I Uttar Pradesh accounts for approximately 16 percent of the total population.

II Twenty States and Union Territories have a population of over ten million.

III India, along with China, currently registers the lowest population growth rates among the top ten most populous countries.

IV The USA accounts for 7.2 percent of the global surface area but only 4.5 percent of the world population.

Which of the above statement(s) is/are correct?

(A) Only (I), (II), and (IV) are correct
(B) Only (II), (III), and (IV) are correct
(C) Only (I), (III), and (IV) are correct
(D) (I), (II), (III), and (IV) are correct

May/June 2011

88. Read the following lists regarding education and health statistics:

List I: (Indicator)

P. National drop-out rate at primary level (2016)
Q. Life expectancy for females (2012-16)
R. Infant mortality rate (2016)
S. Out-of-pocket health expenditure (% of GDP)

List II: (Statistics)

1. 2.3%
2. 33 per 1,000 live births
3. 1.28%
4. 70.2 years

(A) P-3, Q-4, R-2, S-1
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-1, S-2
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2017

89. Read the following statements regarding population pyramids and demographic transition in India:

I Population pyramids in developing countries like India reflect a large proportion of children and persons in the reproductive age group.

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II India's projected population structure indicates an increasing dependency ratio in the near future.
III The crude birth rate at the national level has shown a declining trend from 2013 to 2018.

Which of the above statement(s) is/are correct?
(A) Only (I) and (II) are correct
(B) Only (I) and (III) are correct
(C) Only (II) and (III) are correct
(D) (I), (II), and (III) are correct

May/June 2013

90. Which of the following pairs of states and their status in specific categories is incorrectly matched?
(A) Chhattisgarh - Lowest Sex Ratio at Birth in 2016-18.
(B) Uttar Pradesh - Most populous state with about 200 million people.
(C) Kerala - Lowest Infant Mortality Rate (IMR) of 7 in 2018.
(D) Bihar - Highest Crude Birth Rate (CBR) of 26.2 in 2018.

Oct/Nov 2025

91. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): In the censuses prior to 1981, literacy rates presented a distorted picture of true educational capabilities in India.
Reason (R): The methodology prior to 1981 involved calculating the literacy rate by taking into account the entire population, including children aged 0-6 years.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2009

92. Read the following case study and answer the question that follows:
A financial analyst is evaluating the demographic transition of India to project consumer demand for the next decade. The analyst notes that India's CBR is 20.0 and CDR is 6.2, with a stabilizing TFR of 2.2. The working-age demographic is expanding rapidly compared to the dependent population. However, the analyst also observes that gender disparity persists, with the sex ratio in the 0-6 age group being notably lower than the overall sex ratio.
Based on the analyst's observation of CBR, CDR, and TFR, India's current demographic profile represents which stage of the demographic transition model?
(A) Stage one
(B) Stage two
(C) Stage three
(D) Stage four

Oct/Nov 2006

93. Read the following statements regarding agricultural land use and holdings (2015-16):
I Marginal holdings constituted the highest percentage share in terms of numbers.
II Large holdings constituted the highest percentage share in the total operated area.
III The number of wholly leased-in holdings was highest in the marginal category.
IV The highest share of wholly leased-in holdings among states was in Odisha.
V Gross cropped area marginally decreased from 2010-11 to 2015-16.

Which of the above statement(s) is/are correct?
(A) Only (I), (III), (IV), and (V) are correct
(B) Only (I), (II), (III), and (IV) are correct
(C) Only (II), (III), (IV), and (V) are correct
(D) (I), (II), (III), (IV), and (V) are correct

May/June 2014

94. Referring to the scenario for the NGO, what is the defined operated area for "Semi-Medium holdings"?
(A) Below 1.00 hectare
(B) 1.00 - 2.00 hectares
(C) 2.00 - 4.00 hectares
(D) 4.00 - 10.00 hectares

Oct/Nov 2020

95. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): A country having a Gender Development Index (GDI) value of exactly

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1.0 indicates perfect gender parity in human development achievements.
Reason (R): GDI is the ratio of the female HDI to the male HDI.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2008

96. Which of the following indices should the think-tank use as a broader proxy to capture the poverty and inequalities missed by the standard HDI?
(A) Gross National Income per capita across all socio-economic sectors.
(B) Composite indices capturing inequality and multi-dimensional poverty.
(C) Gross Value Added (GVA) across industrial and agricultural production.
(D) Crude Death Rate (CDR) and the Infant Mortality Rate (IMR) of adults.

Oct/Nov 2013

97. Read the following statements regarding national establishment data findings:
I There are 58.50 million establishments engaged in different economic activities.
II Urban areas account for a larger share of establishments compared to rural areas.
III Non-agricultural activities constitute over 77 percent of total establishments.
IV About 89 percent of the establishments were owned by proprietors.
V Around 15.4 percent of proprietary establishments were owned by females.
Which of the above statement(s) is/are correct?
(A) Only (I), (III), (IV), and (V) are correct
(B) Only (II), (III), (IV), and (V) are correct
(C) Only (I), (II), (III), and (IV) are correct
(D) (I), (II), (III), and (IV) are correct

May/June 2021

98. Which central government initiative directly aligns with State X's strategy of providing free institutional deliveries to needy pregnant women?
(A) Janani Shishu Suraksha Karyakaram
(B) Rashtriya Swasthya Bima Yojana
(C) Mission Indra Dhanush
(D) National Health Mission

Oct/Nov 2011

99. According to the data referred to by Bank Y, what is the total number of workers employed in the 'manufacturing' sector within non-agricultural activities?
(A) 10.60 million
(B) 30.36 million
(C) 24.15 million
(D) 27.19 million

May/June 2016

100. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): National economic establishment censuses often exclude establishments exclusively engaged in crop production and plantation.
Reason (R): Crop production and plantation establishments are regularly covered under specific periodic agriculture census data.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2022

101. Referring to the scenario for the policy think-tank, how is Country B's GDI mathematically derived to reveal the gender gap?
(A) By calculating the ratio of the female HDI to the male HDI score.
(B) By multiplying the female HDI and male HDI scores for each region.
(C) By finding the absolute difference between female and male GNI levels.
(D) By subtracting the maternal mortality rate from the life expectancy index.

May/June 2006

102. Read the following statements regarding migration in India:

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I Urbanization began to accelerate after independence due to the adoption of a mixed economy.
II Employment is a larger driver of migration for people moving within the last year compared to those moving more than 10 years ago.
III Over 68 percent of total migrants in 2011 originated from urban areas.
IV Marriage accounted for over 56 percent of migration for those who moved out more than 10 years back.
V Political disturbances are categorized strictly as a "pull factor" for migration.

Which of the above statement(s) is/are correct?
(A) Only (I), (II), and (IV) are correct
(B) Only (II), (III), and (V) are correct
(C) Only (I), (III), and (IV) are correct
(D) Only (I), (II), (III), and (V) are correct

Oct/Nov 2007

103. Referring to the scenario in State X, the provision of free midday meals to improve enrolment, attendance, and retention in schools was originally launched by the government in which year?
(A) 1953
(B) 1991
(C) 1995
(D) 2001

May/June 2012

104. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Population pyramids of developed countries challenge the advantages of a stable population.
Reason (R): They possess a high dependency ratio due to high life expectancy, low fertility, and a smaller working-age population.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2014

105. Referring to the scenario for the NGO, the highest percentage share of wholly leased-in holdings in total operational holdings was observed in which state?
(A) Manipur
(B) West Bengal
(C) Odisha
(D) Goa

May/June 2017

106. Read the following statements regarding employment details in establishments:
I About 131.29 million persons were reported to be employed in the establishments.
II Five states, including Maharashtra and Uttar Pradesh, hold a combined share of about 50% in total employment.
III Total employment in non-agricultural establishments was approximately 108.41 million workers.
IV Females accounted for roughly 25.17 percent of total employment.
V Nearly 61.90 percent of female employment was concentrated in urban areas.

Which of the above statement(s) is/are correct?
(A) Only (I), (II), (III), and (IV) are correct
(B) Only (I), (II), (III), and (V) are correct
(C) Only (II), (III), (IV), and (V) are correct
(D) (I), (II), (III), (IV), and (V) are correct

NOIDA

Oct/Nov 2005

107. Referring to the scenario for Bank Y, if Bank Y aims to target states with a high number of women-owned establishments, which of the following states should be a primary focus area?
(A) Tamil Nadu
(B) Gujarat
(C) Haryana
(D) Punjab

May/June 2018

108. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): National economic establishment censuses often exclude establishments exclusively engaged in crop production and plantation.
Reason (R): Crop production and plantation

establishments are regularly covered under specific periodic agriculture census data.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2018

109. Referring to the financial analyst's scenario, the expanding working-age population with a decreased dependency ratio positions India to reap which of the following economic benefits?
(A) Malthusian crisis
(B) Universalization of basic education
(C) Negative population growth
(D) Demographic dividend

May/June 2015

110. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Migrants relocating to urban areas are increasingly motivated by employment and education rather than marriage.
Reason (R): Data from 2011 shows that for recent migrants (moved less than a year back), the share of marriage as a reason has dropped to 19 percent, while shares of employment and education have risen.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2015

111. Referring to the scenario for the policy think-tank, in calculating the HDI for Country A, which of the following indicators is used to assess the "knowledge" dimension for children of school entering age?
(A) Mean years of schooling
(B) Literacy rate of children aged 7 and above
(C) Mid-day meal enrolment percentage
(D) Expected years of schooling

May/June 2019

112. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Malthusian concerns of increasing the means of subsistence to match population increase remain valid for India.
Reason (R): India's annual exponential growth rate of food production during 2001-11 was slightly lower than the population growth rate during the same period.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2019

113. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Tackling Non-communicable Diseases (NCDs) is highly challenging in the current Indian public health ecosystem.
Reason (R): The public health system is sub-optimal, diminishing preparedness and effective management regarding early detection and prevention.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2022

114. Referring to the scenario for Bank Y, in designing a credit line for women entrepreneurs, Bank Y notes that women-owned and run

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establishments engage how many workers overall?
(A) 8.05 million
(B) 13.48 million
(C) 22.88 million
(D) 45.37 million

Oct/Nov 2016

115. Referring to the scenario in State X, the screening program for children from birth to 18 years for developmental delays and defects is structurally modeled on which of the following?
(A) Integrated Child Development Service
(B) Rashtriya Kishor Swasthya Karyakram
(C) Reproductive, Maternal, Newborn, Child and Adolescent Health
(D) Rashtriya Bal Swasthya Karyakram

May/June 2024

116. Read the following statements related to Human Development and Gender Development Indices:
I HDI is a geometric mean of normalized indices for health, knowledge, and standard of living.
II The education dimension in HDI uses expected and mean years of schooling.
III Standard of living in HDI is measured by gross domestic product (GDP) per capita.
IV GDI measures gender gaps favoring males, but ignores gaps favoring females.
V India ranked 131 out of 189 countries in the HDI Index Ranking 2020.
Which of the above statement(s) is/are correct?
(A) Only (I), (II), and (V) are correct
(B) Only (I), (III), and (V) are correct
(C) Only (II), (III), and (IV) are correct
(D) Only (I), (II), (IV), and (V) are correct

Oct/Nov 2010

117. Referring to the scenario for the NGO, what was the average size of operational holdings in 2015-16 that concerned the NGO?
(A) 1.00 hectare
(B) 1.15 hectares
(C) 2.00 hectares
(D) 1.08 hectares

May/June 2025

118. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two years carefully and select the correct answer.
Assertion (A): The Human Development Index (HDI) uses the logarithm of income in its calculation.
Reason (R): The logarithm of income reflects the diminishing importance of income with increasing Gross National Income (GNI).
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

NODIA

Oct/Nov 2009

119. Referring to the financial analyst's scenario, what is the precise sex ratio of the 0-6 age group that indicates prevalent preferences for a male child despite overall improvements?
(A) 919
(B) 818
(C) 840
(D) 943

May/June 2020

120. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Female participation in operational agricultural holdings decreased between 2010-11 and 2015-16.
Reason (R): Participation of female operational holders in 2015-16 was highest under the marginal category.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2023

121. Referring to the scenario for District Z, the movement of youth to urban centers due to the availability of factory jobs and university programs represents which type of migration driver?

(A) Push factor
(B) Demographic transition
(C) Forced displacement
(D) Pull factor

May/June 2010

122. According to national migration trends, what percentage of migration was motivated by employment for those who migrated in the most recent year?
(A) 3.2%
(B) 11.6%
(C) 16.2%
(D) 37.2%

Oct/Nov 2012

123. Referring to the historical data for District Z (migrants who moved out more than 10 years back), what was the approximate contribution of marriage to migration?
(A) 56.1%
(B) 19%
(C) 37.2%
(D) 49.4%

May/June 2008

124. Referring to the scenario for the public health administrator, what is India's total out-of-pocket expenditure as a percentage of GDP?
(A) 1.3%
(B) 3.2%
(C) 2.3%
(D) 4.5%

Oct/Nov 2008

125. The limited scope of the typical public primary healthcare model addresses approximately what percentage of all morbidities for which people seek care?
(A) 10%
(B) 15%
(C) 20%
(D) 25%

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ANSWERS

1. (D) Bihar
Bihar recorded the highest Crude Birth Rate (CBR) in India at 26.2 per 1,000 population in 2018. CBR measures live births per thousand people annually. This high rate reflects socio-economic factors and population dynamics within the state. National averages remained lower, highlighting regional disparities in demographic transitions across various Indian states during this period.

2. (C) By calculating the ratio of female HDI to male HDI using the same component indicators.
The Gender Development Index measures gender gaps in human development achievements by calculating the ratio of female to male HDI scores. It utilizes the same three dimensions as the standard Human Development Index: health, knowledge, and living standards. This approach allows for a direct comparison of achievements between genders to identify specific areas of disparity.

3. (C) Establishments producing agricultural goods (excluding crops/plantations) and services for market sale.
An agricultural establishment is defined as an economic unit engaged in the production of agricultural goods or services, specifically excluding crop production and plantations. These units must produce for the purpose of market sale rather than solely for own consumption. Common examples include livestock rearing, forestry, logging, fishing, and various support services related to agriculture.

4. (B) Females constituted 38.85% of total employment in agricultural establishments.
National economic surveys indicate that female workers constituted 38.85 percent of the total employment within agricultural establishments. While rural areas dominate this sector, the specific proportion of female labor highlights their significant role in non-crop agricultural activities like livestock. This data provides insights into gender distribution across different economic sectors, aiding in targeted policy formulation.

5. (B) Economic growth resulting from a large working-age population relative to the dependent population.
The demographic dividend refers to the potential economic growth that can occur when a country's population structure shifts, resulting in a larger proportion of working-age individuals relative to the dependent population. This shift typically follows a decline in fertility and mortality rates. Increased productivity and savings during this phase can significantly boost a nation's overall development.

6. (C) Assessed by life expectancy at birth.
Life expectancy at birth is a primary indicator used to assess the health dimension of the Human Development Index. It represents the average number of years a newborn is expected to live if mortality patterns remain constant. This metric serves as a proxy for the overall well-being and healthcare quality within a nation, reflecting long-term developmental progress.

7. (B) The geometric mean of normalized indices for health, education, and living standards.
The Human Development Index is a composite statistic calculated as the geometric mean of three normalized indices representing health, education, and living standards. This geometric mean approach ensures that a low achievement in one dimension cannot be completely offset by a high achievement in another, emphasizing a balanced development across all critical aspects of human life.

8. (B) By providing data on operational holdings, land use, and crop patterns by size and social group.
The Agriculture Census provides essential data on operational holdings, land use, and cropping patterns categorized by size and social groups. This information is vital for socio-economic policy formulation, as it helps identify disparities in land distribution and agricultural productivity. It allows governments to design targeted interventions for small, marginal, and marginalized farmers to ensure equitable growth.

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9. (B) The sex ratio of India in the 2011 census is 943, which is largely comparable to the 1961 performance.
The 2011 Census recorded India's sex ratio at 943 females per 1,000 males, showing a slight improvement from 933 in 2001. This figure is historically significant as it is largely comparable to the performance observed during the 1961 census. Understanding these trends is crucial for monitoring gender parity and addressing socio-cultural factors affecting the population's sex composition.

10. (C) 13.13 million
Recent national economic surveys reported approximately 13.13 million agricultural establishments in India. These establishments exclude primary crop production and plantations, focusing instead on sectors like livestock, fishing, and forestry. This data helps in understanding the scale of organized and unorganized agricultural activities beyond traditional farming, providing a basis for economic planning and resource allocation.

11. (C) Of the total 45.36 crore migrants, almost two thirds (64.24%) had migrated more than 10 years back.
Data regarding migration patterns reveals that of the total 45.36 crore migrants in India, a significant majority had relocated long ago. Specifically, almost two-thirds, or 64.24 percent, had migrated more than ten years prior to the census. This indicates that long-term migration is a more dominant trend compared to recent short-term movements within the country.

12. (C) The ratio of HDIs calculated separately for females and males using the standard HDI methodology.
The Gender Development Index is fundamentally measured as the ratio of the female Human Development Index to the male Human Development Index. Both gender-specific HDIs use the same methodology and indicators for health, education, and living standards. This comparison directly quantifies the extent to which women are catching up with men in key human development achievements.

13. (A) Urban opportunities like employment and better living conditions that attract people from other areas.
Pull factors in migration refer to the attractive forces of a destination that draw people toward it. In the context of rural-urban migration, these typically include better employment opportunities, higher wages, superior educational facilities, and improved living conditions in cities. These factors contrast with push factors, which are the negative conditions that drive people away from rural homes.

14. (C) The requirement that the means of subsistence must match the geometric population increase.
Malthusian theory suggests that population grows geometrically while the means of subsistence, like food production, increases arithmetically. During economic expansion, increasing population density raises concerns that food supply must keep pace with rapid population growth to avoid crisis. For India, maintaining a food production growth rate that matches or exceeds population growth remains a central socio-economic challenge.

15. (B) The percentage share of female operational holders increased from 12.79% in 2010-11 to 13.96% in 2015-16.
Agriculture Census data shows that the percentage share of female operational holders increased from 12.79 percent in 2010-11 to 13.96 percent in 2015-16. This upward trend reflects the increasing involvement of women in managing agricultural land. Such shifts are significant for understanding changing social dynamics in rural India and the increasing importance of gender-inclusive agricultural policies.

16. (A) Number of literates divided by the population of that age group, expressed as a percentage.
The literacy rate is calculated by dividing the total number of literate individuals within a specific age group by the total population of that same age group. This result is then multiplied by one hundred to be expressed as a percentage. This standard demographic measure allows for comparisons across different regions and time periods to evaluate educational progress.

NODIA

17. (A) 59.48% of total establishments are in rural areas and 40.52% are in urban areas.
According to national economic census data, the distribution of establishments shows that 59.48 percent are located in rural areas, while 40.52 percent are in urban areas. This distribution highlights the importance of the rural economy in India's overall establishment landscape. Understanding this split is vital for developing infrastructure and economic policies that cater to both environments.

18. (A) 74.04%
According to the 2011 Census, the average literacy rate in India reached 74.04 percent. This represented a notable increase from the 64.80 percent recorded during the 2001 Census. While significant progress has been made, disparities still exist between male and female literacy levels, as well as across different states and social groups throughout the entire nation.

19. (D) Poverty and prejudices hinder the ability to check dropout rates, preventing equitable access.
High dropout rates among marginalized sections remain a major barrier to the universalization of basic education. These rates are primarily driven by deep-rooted poverty and social prejudices that prevent children from continuing their schooling. Addressing these systemic issues is essential to ensure that educational opportunities are accessible to all citizens, regardless of their socio-economic background or heritage.

20. (A) They are already covered under the specific data collection of the national Agriculture Census.
Primary cultivators are typically excluded from national economic establishment surveys because their activities are comprehensively covered under the quinquennial Agriculture Census. This census specifically tracks operational holdings, land use, and cropping patterns. Excluding them from other economic surveys prevents data duplication and ensures that each sector is monitored using the most appropriate and specialized methodology.

21. (B) It aims at early identification and intervention for children from birth to 18 years to cover 4 'D's.
The Rashtriya Bal Swasthya Karyakram is a critical health initiative that focuses on early identification and intervention for children from birth to eighteen years. It specifically targets the "four Ds": defects at birth, diseases, deficiencies, and developmental delays. By providing screening and management services, the program aims to improve the overall health outcomes and survival rates of children.

22. (A) 2.4%
India accounts for approximately 2.4 percent of the world's total geographical area. Despite this relatively small land share, the country supports a massive population, representing about 17.5 percent of the global total. This high population-to-land ratio creates significant pressure on natural resources and necessitates efficient land management and sustainable development strategies to support the nation's requirements.

23. (D) Equal distribution across age cohorts due to high life expectancy and low fertility.
In developed countries, population pyramids often appear cylindrical rather than pyramidal. This shape results from a combination of low fertility rates and high life expectancy, leading to a more even distribution of individuals across various age groups. This stable structure indicates a population that is not growing rapidly, contrasting sharply with the broad-based pyramids of developing nations.

24. (D) India managed to achieve a literacy rate of 74.04% in 2011 as compared to 64.80% in 2001.
Between 2001 and 2011, India achieved a significant milestone in literacy, with the rate rising from 64.80 percent to 74.04 percent. This improvement reflects the success of various national educational initiatives and programs. Despite this overall growth, the challenge remains to bridge the gender gap and ensure that literacy gains are distributed equitably across all states and communities.

25. (B) Health improves productivity, keeps children in school, increases savings, and attracts investment.
Population health is a vital instrument for economic growth because it directly influences labor productivity. Healthy individuals are more productive, and healthy children have better school attendance and learning outcomes. Furthermore, reduced healthcare costs allow

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for higher national savings and create a stable environment that attracts foreign investment, ultimately driving long-term economic development and poverty alleviation.

26. (D) Establishments engaged in mining, manufacturing, trade, and services, excluding crop production and plantations.
A non-agricultural establishment is defined as an economic unit involved in activities such as mining, manufacturing, trade, or services. These establishments are distinct from those engaged in crop production and plantations. This classification helps in analyzing the diversification of the economy and monitoring the growth of sectors that are not directly tied to traditional primary agricultural activities.

27. (C) Medium holdings are defined as 4.00 - 10.00 hectares.
In the categorization of agricultural operational holdings, medium holdings are defined as those ranging from 4.00 to 10.00 hectares. This classification is part of a broader system that includes marginal, small, semi-medium, and large holdings. Accurate categorization is essential for understanding land distribution patterns and for designing agricultural policies and credit schemes tailored to different farmer groups.

28. (B) 14%
According to nutrition reports from 2020, approximately 14 percent of India's population is classified as under-nourished. This figure highlights persistent challenges in food security and nutrition despite India being a major producer of milk and pulses. Addressing under-nourishment is a central goal for public health and development policies aimed at improving the well-being of the nation.

29. (C) India's population growth rate during 2000-2010 was higher than that of developed countries like Japan and USA.
During the decade from 2000 to 2010, India's population growth rate remained significantly higher than that of developed nations like Japan and the United States. While India has transitioned to a stage where both fertility and mortality rates are falling, the sheer size of its population ensures continued growth, presenting unique challenges for resource management and economic planning.

30. (D) The ability to read, write, and comprehend information to communicate and understand one's surroundings.
Literacy is an empowering tool because it provides individuals with the fundamental ability to read, write, and comprehend information. This enables people to communicate effectively, understand their surroundings, and participate more fully in social and economic life. As a key driver of human development, literacy facilitates access to knowledge, better health outcomes, and greater economic opportunities.

31. (D) GDI exclusively takes into consideration gender gaps favoring females over males.
The Gender Development Index measures gender gaps in human development achievements by accounting for disparities between both women and men. It identifies deviations from gender parity in either direction. Therefore, stating that it exclusively considers gaps favoring females over males is incorrect. The index aims to provide a balanced view of gender equality across the three HDI dimensions.

32. (B) Compulsory military training must be integrated into primary schools.
The universalization of basic education focuses on improving curriculum, teaching practices, and exploring public-private partnerships. It also emphasizes the need for vocational education to prepare youth for the modern job market. Integrating compulsory military training into primary schools is not a recognized objective or issue within the standard frameworks for improving basic education and achieving universal enrollment and retention.

33. (D) Article 41, 45, and 46 instruct the state to ensure that all citizens receive free higher education up to university level.
While the Constitution includes several provisions for education, it does not instruct the state to ensure free higher education up to the university level for all citizens. Instead, Article 21A guarantees free and compulsory education as a fundamental right for children aged six to fourteen. Higher education is regulated by other bodies and is not a universal fundamental right.

NODIA

34. (D) To reflect the diminishing importance of income as Gross National Income (GNI) increases.
The Human Development Index uses the logarithm of income to reflect that the marginal utility of income decreases as Gross National Income increases. This mathematical adjustment ensures that very high incomes do not disproportionately inflate the overall index score. It emphasizes that basic income levels are more critical for achieving a decent standard of living than incremental gains at higher levels.

35. (C) Article 21
While Article 21 guarantees the right to life and personal liberty, it is Article 21A that specifically provides for the fundamental right to education. Articles 15, 17, and 46 are the primary constitutional provisions that safeguard the educational and social interests of weaker sections. These articles prohibit discrimination, abolish untouchability, and promote the educational and economic interests of marginalized groups.

36. (A) Employment and education are becoming significantly more important drivers for recent migrants.
Recent migration data indicates a decline in the share of marriage as the primary motive for moving. This shift suggests that employment and education are becoming increasingly important drivers for migrants. As opportunities for work and schooling expand in urban areas, people are more likely to relocate for these purposes, reflecting broader changes in the socio-economic motivations for migration.

37. (C) The population of developed countries like Japan and USA grew at a faster pace than India.
Global population data shows that the growth rates of developed countries like Japan and the United States have been significantly lower than that of India. While India's growth rate has slowed, it remains higher than the rates seen in most industrialized nations. Some developed countries, like Russia, have even experienced periods of population decline, reflecting different stages of demographic transition.

38. (A) Inequalities
The Human Development Index provides a summary measure of average achievement in health, education, and living standards. However, it is a composite of national averages and does not reflect internal inequalities within a country. While it captures general progress, it masks disparities based on gender, region, or socio-economic status, which are addressed by other indices like the Inequality-adjusted HDI.

39. (D) Mid-Day Meal Scheme
The Mid-Day Meal Scheme is a critical government intervention that addresses both nutritional needs and educational standards. By providing free meals to school children, it incentivizes enrollment and attendance while simultaneously tackling malnutrition. This dual-purpose approach supports the universalization of basic education by ensuring that children are healthy enough to learn and remain in the schooling system.

40. (D) According to the FAO, India has completely eradicated under-nourishment as of 2020.
While India has made progress in food production, it is incorrect to state that the country has completely eradicated under-nourishment. According to data from the FAO and other international bodies, a significant portion of the population remains under-nourished. National efforts continue to focus on improving food security and nutritional outcomes, particularly among children and vulnerable groups across the country.

41. (B) (IV), (II), (I), (III)
Based on national economic establishment data, the states with the highest percentage shares of establishments are Uttar Pradesh, followed by Maharashtra, West Bengal, and Tamil Nadu. This descending order reflects the economic size and population of these states. These figures are crucial for understanding the geographical distribution of economic activity and for planning regional development and resource allocation strategies.

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42. (C) About 80% of female workers in non-agricultural establishments were found in rural areas.
National economic census data shows that non-agricultural establishments employ millions of people, with manufacturing being a major sector. However, the statement that eighty percent of female workers in this sector were found in rural areas is incorrect. Female employment in non-agricultural activities is distributed across both rural and urban areas, reflecting diverse participation in manufacturing, trade, and services.

43. (B) Mission Indra Dhanush
Mission Indra Dhanush is an immunization campaign aimed at increasing vaccine coverage for children and pregnant women. It is not a supplementary feeding program. Programs like the Special Nutrition Program, Balwadi Nutrition Program, and Mid-day Meal Schemes are specifically designed to provide nutritional support and overcome deficiency diseases among vulnerable populations, particularly children and expectant mothers.

44. (D) Manufacturing of handicrafts
Economic establishment surveys typically focus on units engaged in the production of goods and services for sale. While sectors like public administration and crop production are often excluded or covered separately, the manufacturing of handicrafts is included. This sector is a significant part of India's economic fabric, providing employment and contributing to the production of goods for both domestic and international markets.

45. (C) To regulate the standard and spread of higher education in India.
The University Grants Commission (UGC), established in 1953, is the primary regulatory body for higher education in India. Its central role is to maintain standards for teaching, examination, and research in universities. The UGC also provides funding and ensures the equitable spread of higher education institutions across the country, supporting the nation's intellectual and professional development.

46. (D) From 1991, the calculation of the literacy rate included people aged between 0-6 years to ensure comprehensive demographic coverage.
Starting from 1991, the literacy rate in India has been calculated for individuals aged seven years and above. This methodology excludes the population in the zero-to-six age group, as children in this range are not yet expected to have achieved formal literacy. Including this age group in literacy calculations would lead to a distorted and less accurate representation of national educational attainment.

47. (B) To generate basic data for land revenue assessment.
The creation of village maps and registers regarding land records is primarily aimed at generating essential data for land revenue assessment. These records provide a detailed account of land ownership, usage, and boundaries. This system is foundational for agricultural administration, as it helps determine tax liabilities and provides a legal basis for land transactions and agricultural policy implementation.

48. (C) India's total out-of-pocket expenditure is around 0.5% of GDP, which is lower than the global average.
India faces significant health sector challenges, including low public funding. However, the statement that out-of-pocket expenditure is lower than the global average is incorrect. In reality, out-of-pocket health spending in India is relatively high, often placing a heavy financial burden on households. Reducing this expenditure is a major goal for policies aimed at achieving universal health coverage and poverty alleviation.

49. (A) Employment scope
Push factors are negative conditions in a source area that drive people to migrate elsewhere. In rural contexts, these include unemployment, chronic hunger, and starvation. Employment scope is considered a pull factor because it is an attractive opportunity in the destination area. Understanding the distinction between these factors is essential for analyzing migration patterns and developing targeted regional development policies.

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50. (C) Crop production
The concept of agricultural operational holdings specifically centers on units engaged in crop production. While holdings exclusively involved in livestock, poultry, or fishing are excluded from the Agriculture Census's primary definition, they are tracked in other surveys. Crop production remains the core activity for defining an operational holding, which is essential for monitoring land use and agricultural productivity across the nation.

51. (D) Labor is the main asset of the poor, and its value is crucially determined by their health.
Health is a central imperative for poverty alleviation because labor is the primary asset for the poor. The value and productivity of this labor are directly determined by an individual's physical and mental health. Ill health can lead to loss of income and high medical expenses, trapping families in poverty. Therefore, investing in health is essential for economic empowerment.

52. (B) The total operated area in the country increased from 157.82 million ha to 159.59 million ha.
Data from the 2015-16 Agriculture Census showed that the total operated area in India actually declined from 159.59 million hectares in 2010-11 to 157.82 million hectares. This reduction reflects shifts in land use and urbanization. Monitoring changes in the total operated area is vital for understanding agricultural capacity and planning for food security and rural development across various regions.

53. (C) Kerala
The Empowered Action Group (EAG) states are those that have been identified as having relatively poor socio-economic and demographic indicators. These include states like Uttar Pradesh, Bihar, and Jharkhand. Kerala, conversely, is known for its high achievements in health and education, consistently performing well above the national average. Therefore, it is not classified as an EAG state.

54. (C) They do not produce goods for sale and are considered inherently non-commercial state functions.
Public administration and defence are typically excluded from standard economic establishment data because they are non-commercial state functions. These sectors do not produce goods or services for sale on the market. Instead, they provide essential public services funded through taxation. Their exclusion ensures that economic surveys focus on sectors that contribute directly to market-based production and commercial economic activity.

55. (A) Free institutional deliveries for pregnant women
The Rashtriya Kishor Swasthya Karyakram focuses on adolescent health, emphasizing principles like participation, leadership, equity, and inclusion. It does not provide free institutional deliveries for pregnant women; that is the objective of the Janani Shishu Suraksha Karyakaram. By targeting adolescents, this program addresses their specific health needs, including nutrition, reproductive health, and mental well-being, to ensure a healthy transition to adulthood.

56. (B) It covered all economic activities including crop production and plantation comprehensively.
National economic establishment censuses are designed to cover various economic activities, but they specifically exclude primary crop production and plantations. These agricultural activities are instead monitored through the specialized Agriculture Census. This separation allows the economic census to focus on manufacturing, trade, and services, providing a clearer picture of the nation's non-crop economic landscape and employment patterns.

57. (A) Providing a foundation for psychological, physical, and social development in children aged 0-6.
The Integrated Child Development Service (ICDS) is one of the world's largest programs for early childhood development. Its core philosophy is to provide a solid foundation for the psychological, physical, and social development of children aged zero to six. Through a package of services including nutrition, health check-ups, and pre-school education, it aims to improve child well-being and school readiness.

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58. (A) The 86th constitutional amendment made higher education a fundamental right for all citizens up to the age of 21.
The 86th Constitutional Amendment made elementary education a fundamental right for children aged six to fourteen, not higher education. While higher education is a vital sector regulated by the UGC, it is not a universal fundamental right under the constitution. This distinction is important for understanding the government's primary legal obligations toward providing basic education to all children in the country.

59. (C) Fertility and mortality have fallen significantly, yet the population continues to grow at a slower pace.
India is currently in stage three of the demographic transition model because both fertility and mortality rates have fallen significantly. However, due to a large base population and demographic momentum, the total population continues to grow, albeit at a slower pace. This stage is characterized by a narrowing gap between birth and death rates as the country moves toward stabilization.

60. (D) Haryana
Among the major states, Tamil Nadu, Andhra Pradesh, and Kerala reported high numbers of women-owned establishments. These states have historically shown better gender-related indicators and higher female participation in the economy. Haryana, by contrast, has not been among the top states for this specific metric, reflecting regional variations in female entrepreneurship and economic empowerment across India's diverse landscape.

61. (A) P-4, Q-1, R-2, S-3
According to the 2015-16 Agriculture Census, marginal holdings (below 1.00 hectare) constitute the largest share of total holdings at 68.5 percent. Small holdings follow at 17.6 percent, semi-medium at 9.6 percent, and large holdings (above 10.00 hectares) at just 0.6 percent. This distribution highlights the dominance of small-scale farming in India, which is crucial for designing agricultural support policies.

NODIA

62. (A) Only (I)
The Agriculture Census provides detailed data on operational holdings across different size classes and social groups. However, its definition of agricultural operational holdings is centered on crop production. It does not include holdings that operate no land and are engaged exclusively in livestock, poultry, or fishing. These latter activities are tracked through separate economic surveys and livestock censuses to avoid data overlap.

63. (A) P-4, Q-1, R-3, S-2
Literacy data from 2011 shows significant regional variation. Kerala recorded the highest literacy rate at 93.91 percent, followed closely by Mizoram at 91.33 percent. Bihar had the lowest rate at 63.82 percent. The national average female literacy rate was 65.5 percent. These statistics reflect the diverse educational landscapes across Indian states and the ongoing need for targeted literacy improvement initiatives.

64. (B) Only (II) and (III) are correct
The National TB Control Program and Rashtriya Arogya Nidhi are vital public health initiatives providing free diagnosis, treatment, and financial assistance for life-threatening diseases to the poor. However, the National AIDS Control Organization does not work in isolation; it actively collaborates with NGOs and community groups. This partnership is essential for reaching vulnerable populations and ensuring the success of health interventions.

65. (A) Total Fertility Rate (TFR) - 2.2
In 2018, India's Total Fertility Rate (TFR) was recorded at 2.2, which is close to the replacement level of 2.1. This indicates significant progress in population stabilization efforts. Other indicators like the Infant Mortality Rate and Crude Birth Rate also showed declining trends, reflecting improvements in maternal and child healthcare services across most states and territories during this period.

66. (B) Only (I), (II), and (IV) are correct
Longevity and health significantly boost economic performance by increasing worker productivity and keeping children in school longer. Furthermore, healthy populations are more likely to attract foreign direct investment.

However, the claim that healthy populations have lower savings rates is incorrect. In fact, increased life expectancy often encourages higher savings as individuals plan for a longer retirement period.

67. (A) (II), (III), (I), (IV)
When categorized by total operated area, small holdings account for a smaller share than semi-medium and marginal holdings. Medium holdings also contribute significantly. Specifically, marginal holdings occupy the largest total area despite their small individual size, followed by semi-medium and then small and medium. This arrangement is important for understanding the spatial distribution of agricultural production and land management.

68. (C) Both (I) and (II)
India has observed a consistent decline in the decadal growth rate of its population since the 1971-81 period. Notably, during the 2011 census, a significant fall in this rate was also observed in the Empowered Action Group (EAG) states for the first time. These trends indicate that demographic transition is occurring even in historically high-growth regions, leading toward broader national population stabilization.

69. (A) Only (I) and (II) are correct
The Samagra Shiksha Program and the measurement of youth literacy for the 15-24 age group are key educational strategies in India. However, it is incorrect to state that the 86th Constitutional Amendment designated elementary education as a fundamental right for children up to age 18. The legal guarantee specifically covers children aged six to fourteen years, emphasizing the focus on basic education.

70. (A) P-3, Q-4, R-2, S-1
National health programs have specialized objectives: Mission Indra Dhanush aims to improve immunization coverage, while Pulse Polio targets the eradication of polio. The National Mental Health Program addresses the shortage of psychiatric professionals, and the Pradhan Mantri Swasthya Suraksha Yojana works to correct regional imbalances in tertiary healthcare. These targeted efforts are essential for addressing diverse health challenges across the country.

71. (B) Only (I), (II), and (IV) are correct
Education statistics show that while primary dropout rates have reduced significantly, secondary levels still see higher attrition. On average, only seventy out of one hundred students finish school. However, the statement about the Central Educational Institutions Act reserving fifteen percent for Scheduled Tribes is incorrect. These programs are vital for identifying where interventions are needed to improve retention and universalize secondary education.

72. (A) P-3, Q-1, R-4, S-2
In the non-agricultural sector, manufacturing contributes 30.3 percent of employment, followed by retail trade at 25.08 percent and education at 9.77 percent. Combined, these three activities account for approximately 65.2 percent of all non-agricultural employment. This data highlights the critical role of these sectors in providing livelihoods and driving economic growth outside the traditional primary agricultural industry.

73. (B) Only (II) is correct
National economic establishment censuses typically exclude primary crop production and plantations, as these are covered by the Agriculture Census. However, they do include services incidental to crop production, such as the provision of machinery for a fee. This distinction ensures that commercial services supporting agriculture are captured in economic data without duplicating the primary production data collected elsewhere.

74. (C) Sub-optimal Public Health System - Diminishes preparedness and management for emerging threats.
A sub-optimal public health system is a significant challenge because it reduces a nation's ability to prepare for and manage emerging health threats. This includes difficulties in early detection and rapid response to outbreaks or the rising burden of non-communicable diseases. Improving the system's efficiency and reach is essential for ensuring national health security and better patient outcomes.

75. (B) Only (I), (III), and (IV) are correct
The 2015-16 Agriculture Census reported an increase in the number of operational holdings and a decline in average holding size to 1.08

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hectares. It also noted an increase in female operational holders. However, the total operated area actually decreased during this period. These findings reflect changing land ownership patterns and the ongoing fragmentation of agricultural land across the nation.

76. (A) P-2, Q-1, R-4, S-3
Sex ratio data from 2011 shows significant variation across states and UTs. Haryana was recorded at 877, Jammu and Kashmir at 883, Dadra and Nagar Haveli at 775, and Daman and Diu at 618. These figures highlight the severe gender imbalances in certain regions, necessitating targeted social and policy interventions to address the underlying causes of such disparities.

77. (B) Only (I) and (III) are correct
The Gender Development Index measures gender gaps using the same components as the HDI and groups countries based on deviations from parity. However, it is not calculated as a simple ratio of female GNI to male GNI. Instead, it uses a more complex methodology involving indices for health, education, and income for both genders to provide a comprehensive view of disparity.

78. (A) P-2, Q-3, R-1, S-4
The Human Development Index utilizes specific indicators for its three dimensions. Life expectancy at birth measures a long and healthy life. Expected years of schooling and mean years of schooling assess the knowledge dimension for children and adults, respectively. GNI per capita reflects the standard of living. Together, these indicators provide a holistic view of a nation's development level.

79. (C) Both (I) and (II)
Migration trends in 2011 show that over half of all migrants had relocated more than ten years earlier. For very recent migrants, there has been a notable shift in motivations; the share of marriage as a reason for moving dropped to 19 percent. This indicates that newer migration is increasingly driven by factors other than traditional social reasons, such as economic opportunities.

80. (D) Integrated Child Development Service - Adolescents seeking reproductive health guidance.
The Integrated Child Development Service primarily targets children aged zero to six and expectant mothers to provide nutritional and developmental support. It is not designed for adolescents seeking reproductive health guidance; that role is fulfilled by programs like the Rashtriya Kishor Swasthya Karyakram. This distinction ensures that different age groups receive healthcare services tailored to their specific needs.

81. (A) Only (I), (II), and (III) are correct
India is a global leader in milk and pulse production, yet fourteen percent of its population remains under-nourished. The 2019 Global Hunger Index ranked India 102nd, which was lower than some of its neighbors like Nepal and Bangladesh. This paradox between high production and persistent under-nutrition underscores the need for more effective food distribution and nutritional security policies.

82. (A) P-1, Q-2, R-3, S-4
The share of agricultural establishments varies across states, with Gujarat at 11.01 percent, Tamil Nadu at 12.1 percent, Maharashtra at 13.31 percent, and Uttar Pradesh at 13.36 percent. These figures reflect the diverse importance of non-crop agricultural activities, such as livestock and fishing, in the economies of these states. Understanding these shares helps in regional economic planning and resource allocation.

83. (A) P-2, Q-1, R-3, S-4
For those who migrated in the last ten years, marriage accounted for 37.2 percent and employment for 11.6 percent. Among older migrants, marriage was a much higher driver at 56.1 percent. These shifts in migration motives over time reflect changing social norms and an increasing emphasis on economic and educational opportunities as primary reasons for relocation in more recent decades.

84. (B) Only (I) and (III) are correct
About 92 percent of employment in agricultural establishments is concentrated in rural areas, with the maximum employment found in the livestock sector. However, the statement that females

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constitute over 50 percent of this employment is incorrect. While female participation is significant, it remains below half, highlighting both the rural nature of these activities and the dominance of specific sub-sectors like animal husbandry.

85. (C) Both (I) and (II)
Prior to 1981, literacy rates in India were calculated based on the entire population, which included children who were too young for school. Since 1991, the methodology has excluded the zero-to-six age group to provide a more accurate measure of literacy among those old enough to have acquired these skills. This change has improved the reliability of demographic data for educational planning.

86. (B) P-3, Q-4, R-1, S-2
The Constitution of India provides several educational safeguards: Article 30 allows minorities to establish institutions, while Article 45 contains directive principles for free education. Article 21A makes elementary education a fundamental right, and Article 46 promotes the interests of weaker sections. These articles form the legal framework for ensuring that educational opportunities are accessible to all segments of Indian society.

87. (A) Only (I), (II), and (IV) are correct
India's demographic profile shows that Uttar Pradesh is the most populous state, and twenty states have populations exceeding ten million. The USA possesses a large surface area but a smaller share of the world population. However, it is incorrect to state that India and China have the lowest growth rates among the top ten most populous countries; some others have even lower rates.

88. (A) P-3, Q-4, R-2, S-1
National statistics from recent years show a primary dropout rate of 1.28 percent and female life expectancy of 70.2 years. The infant mortality rate was thirty-three per thousand births, while out-of-pocket health expenditure stood at 2.3 percent of GDP. These indicators are critical for monitoring the country's progress in health and education and for identifying areas where policy improvements are needed.

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89. (B) Only (I) and (III) are correct
Population pyramids in developing countries like India show large proportions of children and reproductive-age individuals. National data also shows a declining trend in the crude birth rate. However, India's projected structure actually indicates a decreasing dependency ratio in the near future as the working-age population expands. This phase offers a potential demographic dividend that can drive significant national economic growth.

90. (A) Chhattisgarh - Lowest Sex Ratio at Birth in 2016-18.
While Bihar has a high birth rate and Kerala has a low infant mortality rate, Chhattisgarh does not have the lowest sex ratio at birth. Other states, particularly in the northwest, have historically recorded lower ratios. Correctly identifying these demographic outliers is essential for understanding regional health and social challenges and for tailoring government interventions to address specific local needs.

91. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Prior to 1981, literacy rates in India were calculated using the entire population, including children aged zero to six. This methodology distorted the true picture of educational capabilities because very young children are not yet at the age of formal literacy. Changing the denominator to only include those aged seven and above provided a more accurate and meaningful demographic measure.

92. (C) Stage three
India's current demographic profile, characterized by falling fertility and mortality rates and a stabilizing Total Fertility Rate, aligns with stage three of the demographic transition model. In this stage, the population continues to grow but at a slower pace as it moves toward stabilization. The expanding working-age population during this phase provides a significant opportunity for economic growth through the demographic dividend.

93. (A) Only (I), (III), (IV), and (V) are correct
The 2015-16 Agriculture Census findings show that marginal holdings are the most numerous

and that wholly leased-in holdings were highest in the marginal category. Odisha reported the highest share of such holdings among states. However, it is incorrect to state that large holdings have the highest share of operated area; while they are large individually, their collective area is relatively small.

94. (C) 2.00 - 4.00 hectares
In the classification of agricultural operational holdings, semi-medium holdings are defined as those ranging from 2.00 to 4.00 hectares. This size class is an important category for understanding the structure of land ownership in India. Policy interventions and agricultural support programs often use these classifications to target specific groups of farmers based on the scale of their farming operations.

95. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
A Gender Development Index value of 1.0 represents perfect parity, as it is the ratio of female to male HDI scores. When both genders achieve the same levels of health, knowledge, and living standards, the ratio becomes one. This index is a critical tool for measuring the extent of gender-based disparities and for monitoring progress toward achieving gender equality.

96. (B) Composite indices capturing inequality and multi-dimensional poverty.
To capture the nuances of poverty and inequality that the standard Human Development Index might miss, researchers use composite indices like the Inequality-adjusted HDI and the Multidimensional Poverty Index. these tools provide a more detailed view of how achievements are distributed across the population and identify specific deprivations, allowing for more targeted and effective social and economic policy interventions.

97. (A) Only (I), (III), (IV), and (V) are correct
National economic census data shows that there are 58.50 million establishments, with the majority located in rural areas, not urban. Over seventy-seven percent are non-agricultural, and nearly eighty-nine percent are owned by proprietors. Approximately 15.4 percent of these proprietary units are owned by women. This data highlights the structure of India's economy and the significant role of small, rural, and proprietary businesses.

98. (A) Janani Shishu Suraksha Karyakaram
The Janani Shishu Suraksha Karyakaram is a central government initiative that provides free institutional deliveries and care for sick newborns. This program directly aligns with efforts to reduce maternal and infant mortality by removing financial barriers for needy pregnant women. By ensuring access to healthcare without out-of-pocket expenses, it encourages more women to choose safe, institutional births over home-based alternatives.

99. (B) 30.36 million
Within non-agricultural activities, the manufacturing sector is a major employer, providing jobs to approximately 30.36 million workers. This sector is vital for economic diversification and for providing livelihoods outside of primary agriculture. Monitoring employment in manufacturing helps policymakers understand industrial growth trends and design strategies for job creation and skill development across various regions and urban centers.

100. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
National economic establishment censuses often exclude primary crop production and plantations because these activities are specifically covered under the periodic Agriculture Census. This specialized census provides detailed data on operational holdings and land use that a general economic survey might not capture. This division of labor between different data collection efforts ensures comprehensive and accurate monitoring of all economic sectors.

101. (A) By calculating the ratio of the female HDI to the male HDI score.
The Gender Development Index reveals the gender gap by calculating the ratio of the female Human Development Index to the male Human Development Index. This mathematical approach allows for a direct comparison of achievements between genders across health, education, and income. A ratio closer to one indicates less

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disparity, providing a clear metric for evaluating progress toward gender parity.

102. (A) Only (I), (II), and (IV) are correct
Migration in India has been driven by post-independence urbanization and shifts in motives. Employment is a stronger driver for recent migrants, while marriage remains a major reason for those who moved long ago. However, the majority of migrants originate from rural areas, not urban ones. Understanding these patterns is essential for managing urban growth and developing effective regional development policies.

103. (C) 1995
The government originally launched the national program of nutritional support to primary education, commonly known as the Mid-Day Meal Scheme, in 1995. This program was designed to improve enrollment, attendance, and retention in schools while simultaneously addressing nutritional deficiencies among children. Over the decades, it has become one of the world's largest school feeding programs, significantly impacting educational and health outcomes.

104. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
In developed countries, stable populations often lead to high dependency ratios due to a large elderly population and a smaller working-age group. This structure challenges the economic benefits typically associated with stability, as it places a heavy burden on social security and healthcare systems. Understanding these demographic shifts is vital for long-term economic planning and the sustainability of welfare programs.

105. (C) Odisha
Based on Agriculture Census data, Odisha reported the highest percentage share of wholly leased-in holdings among its total operational holdings. This information is significant for understanding land tenure systems and the prevalence of tenancy in certain regions. It helps policymakers design interventions related to land reforms, agricultural credit, and social security for tenant farmers who do not own the land they cultivate.

106. (A) Only (I), (II), (III), and (IV) are correct
Total employment in establishments is significant, with a major portion in non-agricultural sectors. While five states hold a large share of this employment, the claim that over sixty percent of female employment is in urban areas is incorrect. Female employment is actually more concentrated in rural areas, reflecting their vital role in the rural economy across both agricultural and non-agricultural establishments.

107. (A) Tamil Nadu
Tamil Nadu is one of the leading states in India in terms of the number of women-owned establishments. Focusing on such states is a strategic choice for banks or organizations aiming to support female entrepreneurship. This state's performance reflects better gender-inclusive economic participation and provides a model for understanding the factors that encourage women to start and manage their own businesses.

108. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Economic censuses typically exclude primary crop production and plantations because they are regularly monitored through the Agriculture Census. This ensures that detailed information on land use and operational holdings is collected using specialized tools, while the economic census can focus on other sectors like manufacturing and services. This coordination between surveys provides a comprehensive view of the national economy.

109. (D) Demographic dividend
A large working-age population relative to the dependent population allows a country to reap the demographic dividend. This potential for accelerated economic growth occurs because there are more producers than consumers. To realize this benefit, however, a nation must invest in health, education, and job creation to ensure that the expanding workforce is productive and can contribute effectively to the national economy.

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110. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Recent migration data supports the assertion that employment and education are becoming more dominant reasons for moving than marriage. For those who migrated within the last year, the share of marriage dropped to nineteen percent while other motives rose. This shift reflects broader changes in socio-economic priorities and the increasing pursuit of professional and educational opportunities in urban centers.

111. (D) Expected years of schooling
To assess the "knowledge" dimension for children entering school age, the Human Development Index uses "expected years of schooling." This indicator estimates the total number of years of schooling a child can expect to receive if current enrollment patterns persist. Along with mean years of schooling for adults, it provides a comprehensive view of a nation's educational achievements and potential.

112. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Malthusian concerns remain relevant because if population growth outpaces the increase in food production, subsistence crises can occur. In some periods, India's food production growth was slightly lower than its population growth, highlighting the need for continued agricultural innovation. Ensuring that the means of subsistence keeps pace with demographic changes is a fundamental requirement for maintaining national food security and stability.

113. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Tackling non-communicable diseases presents a major challenge in India due to a sub-optimal public health system. This system often lacks the preparedness and management capabilities necessary for early detection and prevention. Strengthening primary healthcare is crucial to managing these diseases effectively, as the current model fails to address the full spectrum of morbidities for which citizens seek medical care.

114. (B) 13.48 million
Establishments owned and managed by women in India provide employment to approximately 13.48 million workers. This highlights the significant role of female entrepreneurship in the national economy and in providing livelihoods. Supporting women-owned businesses through targeted credit and training can further enhance their economic impact and contribute to greater gender equality in the workforce and business ownership.

115. (D) Rashtriya Bal Swasthya Karyakram
The Rashtriya Bal Swasthya Karyakram is the program responsible for screening children from birth to eighteen years for developmental delays, defects, diseases, and deficiencies. This initiative is vital for early detection and intervention, which can significantly improve health outcomes and quality of life for children. It forms a key part of the government's strategy to provide comprehensive healthcare to the younger population.

116. (A) Only (I), (II), and (V) are correct
The Human Development Index is a geometric mean of indices for health, knowledge, and standard of living. The knowledge dimension specifically uses expected and mean years of schooling. India's 2020 ranking was 131. However, standard of living is measured by GNI per capita, not GDP, and the GDI accounts for gender gaps in both directions, not just those favoring males.

117. (D) 1.08 hectares
According to the 2015-16 Agriculture Census, the average size of an agricultural operational holding in India was 1.08 hectares. This represents a decline from previous years, reflecting the continued fragmentation of land due to population pressure and inheritance patterns. Smaller holding sizes present challenges for agricultural productivity and mechanization, necessitating specialized support policies for small and marginal farmers.

118. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The Human Development Index uses the logarithm of income because the utility of additional income decreases as total income rises. This approach ensures that the index

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reflects the diminishing importance of income for achieving a decent standard of living as Gross National Income increases. It prevents very high-income nations from having disproportionately high scores compared to their actual human development achievements.

119. (A) 919
Despite overall improvements in the sex ratio, the 0-6 age group recorded a lower ratio of 919 females per 1,000 males in the 2011 Census. This specific metric is a cause for concern as it indicates persistent gender preferences and potential issues with sex-selective practices. Monitoring the child sex ratio is essential for evaluating the success of social and legal interventions.

120. (D) Assertion (A) is false, but Reason (R) is true.
Participation of female operational holders actually increased between the 2010-11 and 2015-16 Agriculture Censuses. It is also true that their participation was highest in the marginal category. This increasing trend highlights the growing importance of women in agricultural management, particularly on smaller landholdings, and underscores the need for gender-responsive policies in the agricultural sector.

121. (D) Pull factor
The availability of factory jobs and university programs in urban centers acts as a pull factor for migration. These attractive opportunities draw people, especially youth, away from rural areas in search of better employment and education. Pull factors are the positive attributes of a destination that motivate voluntary movement, contrasting with the negative push factors that drive people away from home.

122. (C) 16.2%
Recent migration data indicates 16.2 percent of those who migrated in the most recent year did so for reasons related to employment. This reflects the significant role of economic opportunities in driving recent internal movement. Understanding these motives is crucial for urban planning and for developing labor market policies that address the needs of a mobile workforce seeking better livelihoods.

123. (A) 56.1%
For migrants who moved more than ten years ago, marriage was the primary driver, accounting for approximately 56.1 percent of all relocations. This high percentage highlights the historical dominance of social reasons for migration in India. While more recent trends show an increasing shift toward economic and educational motives, long-term migration data still reflects these traditional social patterns.

124. (C) 2.3%
India's total out-of-pocket health expenditure is approximately 2.3 percent of its Gross Domestic Product. This relatively high level of direct spending by households indicates a significant financial burden for healthcare. Reducing out-of-pocket costs is a key objective for government policies aimed at providing affordable healthcare and preventing families from falling into poverty due to unexpected medical expenses.

125. (B) 15%
The traditional public primary healthcare model in India typically addresses only about 15 percent of the total morbidities for which people seek care. This limited scope highlights a major gap in the health system's ability to provide comprehensive services. Expanding the range of services at the primary level is essential for managing the growing burden of various diseases and improving health.

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CHAPTER 02
Characteristics of Rural Society

Oct/Nov 2014

1. Which of the following is not typically cited as a shared resource or feature defining the identity of a village unit?
(A) Village commons known as Nistar land
(B) Fixed limits pertaining to revenue and forest
(C) Shared resources such as wells, tanks, and places of worship
(D) Fixed corporate equity shares distributed among villagers

May/June 2021

2. Consider the following statements regarding the various influences on rural society:
I Migration of the effective working population has changed the rural structure.
II Spread of education has maintained the traditional socio-cultural values completely static.
III The democratic process has made power available to certain groups, which was unthinkable earlier.
IV High-level officials of revenue and police have greatly reduced the influence of traditional panchayats.
Which combination of statements is correct?
(A) (I), (II), and (III)
(B) (I), (III), and (IV)
(C) (II), (III), and (IV)
(D) (I), (II), and (IV)

Oct/Nov 2023

3. A newly appointed branch manager of a commercial bank in a rural area wants to initiate a financial inclusion drive. To ensure the smooth implementation of this development activity, which local body must the manager primarily coordinate with according to the rural societal structure?
(A) The village Jati panchayat
(B) The regional political party office
(C) The local statutory panchayat
(D) The state legislative assembly

Oct/Nov 2018

4. Identify the correctly paired rural economic group with its corresponding position in the traditional hierarchy in North Indian villages.
(A) Handful of landowners - Bottom of the economic hierarchy
(B) Landless agricultural labourers - Middle class
(C) Small farmers and some artisans - Middle class
(D) Affluent sections - Excluded from village panchayat

May/June 2007

5. Consider the following statements regarding traditional panchayats:
I Earlier, villages featured two kinds of panchayats: a Jati panchayat and a village panchayat.
II The ukhia or sarpanch held office exclusively through state-conducted democratic elections.
III Some states established Nyaya Panchayats to administer cheap and speedy justice in minor cases.
Which combination of statements is correct?
(A) (I) and (II)
(B) (I) and (III)
(C) (II) and (III)
(D) (I), (II), and (III)

Oct/Nov 2025

6. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.
Assertion (A): The economic hierarchy in a typical North Indian village broadly corresponds to the caste hierarchy.
Reason (R): The high-caste forms the land-owning class, while the low-caste comprises the bulk of landless families.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

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(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2012

7. Why is it essential for a banker working in rural areas to understand the basic structure of rural society?
(A) To purely ascertain the political affiliations of the villagers before sanctioning loans.
(B) To interact effectively with panchayats for development programs.
(C) To strictly enforce urban corporate governance models on rural institutions.
(D) To ensure that cooperative banks are systematically replaced by commercial banks.

Oct/Nov 2014

8. Identify the incorrect statement regarding the rural and urban ethos.
(A) Villagers are often stereotypically considered simpletons by urban people.
(B) Economic, ritual, political, and social transactions between villages and urban areas have ceased.
(C) Urban people are frequently distrusted by villagers as sharp and undependable.
(D) The pattern of Jajmani relations and Jati panchayats in small towns is much the same as in villages, though weaker.

May/June 2019

9. In the context of typical socio-economic structures in North Indian states, which section of the population generally dominates the village panchayat?
(A) The landless agricultural labourers
(B) The high caste and affluent sections
(C) The urban-low-paid workers
(D) The artisans and small merchants

Oct/Nov 2006

10. In sociological literature, what term is used to describe the system of attachment to village families where payment for occupational services is made in kind, cash, or both?
(A) Jati segment system
(B) Nistar system
(C) Jajmani system
(D) Kudaria system

May/June 2021

11. Which of the following areas is not an exception to the establishment of the Panchayati Raj system?
(A) The state of Nagaland
(B) The state of Meghalaya
(C) The state of Mizoram
(D) The state of Rajasthan

Oct/Nov 2010

12. Which of the following statements correctly describes the organic unity of an Indian village?
(A) The village is characterized entirely by pervasive factionalism without any mutual cooperation.
(B) The village functions as a fully self-contained settlement with no external influences or interactions.
(C) Division of labour enables mutual help and cooperation among residents.
(D) Traditional mechanisms of conflict resolution have been completely eradicated by statutory panchayats.

May/June 2005

13. A village previously dominated by one land-owning upper caste has seen lower caste peasant cultivators gain political influence. Which factor best explains this transformation?
(A) Growth of the rural economy reinforcing class over traditional caste dominance.
(B) The introduction of satellite TVs and digital media into the village.
(C) The establishment of connectivity through new all-weather road networks.
(D) The religious interventions made by organizations like the Arya Samaj.

Oct/Nov 2022

14. How is factionalism conceptually characterized in village life?
(A) It has formal sanction in the social structure and operates purely on state regulations.
(B) It is exclusively based on Jati divisions without any cross-caste support or loyalty.
(C) Power alignments between individuals and families that are often antagonistic.
(D) It functions as a statutory body designed for rural economic development.

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May/June 2018

15. In a village where panchayat decisions favour wealthy upper-caste landowners while ignoring near-landless lower-caste labourers, which characteristic is illustrated?
(A) The absolute eradication of the Jajmani system from all rural villages.
(B) The organic unity of the village preventing any disputes between groups.
(C) The success of statutory judicial panchayats in providing equitable justice.
(D) Dominance of local institutions by high castes and affluent socioeconomic sections.

Oct/Nov 2016

16. Which institution plays a pivotal role in the development of villages, requiring bankers to continuously interact with them for developmental activities?
(A) Panchayati Raj
(B) Regional Rural Banks
(C) State Finance Commissions
(D) District Rural Development Agencies

May/June 2014

17. In the context of broad state caste patterns in India, what rough percentage of the population comprises scheduled castes and tribes?
(A) 7%
(B) 18%
(C) 25%
(D) 50%

Oct/Nov 2007

18. Consider the following statements regarding the caste structure in a village:
I Each village has several Jati segments that maintain separate ties in certain spheres.
II Neighbourhood ties, personal friendships, and family animosities are entirely absent due to rigid Jati divisions.
Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2025

19. How has the growth of the rural economy conceptually affected caste dominance in rural India?
(A) Dissolution of all caste identities, replacing them exclusively with corporate structures.
(B) Shift of agricultural landownership directly and entirely to landless labourers.
(C) Elimination of factionalism and restoration of strict traditional Jati panchayats.
(D) Caste reinforcing class as land-ownership shifts toward peasant cultivators.

Oct/Nov 2019

20. Which of the following statements correctly identifies the pattern of dominance that emerged in rural regions?
(A) Political clout developed by richer elements of dominant Jatis through economic power.
(B) A single dominant Jati consistently controlled all rural land across every Indian state.
(C) Dominant land owners invariably belonged to the scheduled castes and tribes.
(D) The dominant Jatis strictly avoided all economic and political transactions with urban people.

May/June 2009

21. What is the fundamental definition of Panchayati Raj as established for rural administration in India?
(A) A centralized governance system controlled exclusively by the Prime Minister.
(B) A two-tier corporate structure designed for commercial banking expansion in rural areas.
(C) A three-tier structure of administration to develop local self-government in districts.
(D) A traditional Jati panchayat system legally enforced across all states without modification.

Oct/Nov 2011

22. Identify the incorrect statement regarding the village as a unit of development.
(A) The village is now recognized as a unit of development with several formal and statutory institutions.
(B) The village functions strictly as a corporate group devoid of any fixed revenue or forest limits.
(C) Political parties possess agents in many villages, and large villages may have party offices.
(D) A village possesses an identity, fixed limits, village commons, and shared resources like wells and tanks.

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May/June 2010

23. Match the inter-village Jati panchayats listed in List I with their respective regions in List II.
List I: (Panchayat Name)
P. Misl
Q. Khap
R. Kudaria
S. Jati panchayats
List II: (Region)
1. Northern Madhya Pradesh
2. Western Uttar Pradesh
3. Punjab
4. Small towns
(A) P-1, Q-3, R-4, S-2
(B) P-2, Q-4, R-3, S-1
(C) P-4, Q-1, R-2, S-3
(D) P-3, Q-2, R-1, S-4

Oct/Nov 2024

24. Consider the following statements detailing the rough percentage breakdown of caste patterns and classes in Indian states:
I Roughly 7% of the population are Brahmins.
II Roughly 18% are scheduled castes and tribes.
III 50% belong to the middle castes of merchants and land owners.
IV The remaining 25% are landless labourers and urban-low-paid workers.
V Exactly 10% represent the newly emerged industrial capitalists.
Which combination of statements is correct?
(A) (I), (II), (III), and (IV)
(B) (I), (II), (III), and (V)
(C) (II), (III), (IV), and (V)
(D) (I), (III), (IV), and (V)

May/June 2017

25. Match the dominant Jatis in List I with their corresponding states/regions in List II.
List I: (Jati)
P. Jats
Q. Bhumihars
R. Patidars
S. Vokkaligas
List II: (State/Region)
1. Bihar
2. Gujarat
3. Karnataka
4. Punjab and Haryana
(A) P-1, Q-4, R-3, S-2
(B) P-4, Q-1, R-2, S-3
(C) P-2, Q-3, R-1, S-4
(D) P-3, Q-2, R-4, S-1

Oct/Nov 2005

26. What constitutes the rural structure in a traditional Indian village setting?
(A) Corporate groups, industrial zones, municipalities, and religious bodies
(B) Commercial banks, small finance banks, and urban cooperative societies
(C) State legislatures, district councils, and regional political offices
(D) Family, kinship, caste, stratification, power, and religion

May/June 2020

27. Identify the incorrect pair regarding the correspondence between economic hierarchy and caste hierarchy.
(A) High-caste - Urban-low-paid workers
(B) High-caste - Land-owning class
(C) Low-caste - Bulk of landless families
(D) Land cultivating small farmers - Forming the middle

Oct/Nov 2015

28. How is the Jajmani system formally defined in the context of rural occupational services?
(A) Interdependence through exchange of specialized occupational services.
(B) A system restricted exclusively to the exchange of agricultural lands among dominant castes.
(C) An inter-village political alliance formed to influence statutory panchayat elections.
(D) A financial arrangement strictly between rural cooperative banks and marginal farmers.

May/June 2013

29. Which of the following is not a category broadly defining the caste pattern in Indian states?
(A) Brahmins
(B) Non-Brahmins
(C) Urban Corporate Elites
(D) Scheduled Castes and Tribes

Oct/Nov 2021

30. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.
Assertion (A): The support base of a village faction can be provided by individuals and

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families from different Jatis with conflicting interests.
Reason (R): Factions are solidarity groups based primarily on members' interests, and they follow their own logic and rules rather than strict social sanctions.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2024

31. Consider the following statements regarding the recommendations of the Balwant Rai Mehta Committee:
I Planning and development are the primary objectives of the Panchayati Raj system.
II The District Collector should be made the chairman of the Zila Parishad.
III The Panchayat Samiti will act strictly as an advisory and supervisory body without executive powers.
Which combination of statements is correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

Oct/Nov 2008

32. Consider the following statements regarding the provisions of the Constitutional Amendment Act of 1992:
I Compulsory provisions must be added to state laws, including the creation of the new Panchayati Raj systems.
II Voluntary provisions are left to the discretion of the state government.
Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2006

33. Identify the correct statement regarding the constitutional mandate for village panchayats.
(A) Article 124 of the Constitution which mandates the dissolution of traditional panchayats.
(B) Article 40 of the Constitution which empowers village panchayats as self-governments.
(C) Article 243 which initially established the two-tier structure prior to independence.
(D) Article 73 which guarantees commercial bank funding for all local Gram Sabhas.

Oct/Nov 2017

34. Which of the following is an exception to the reservation of seats for women in the Panchayati Raj institutions as per the 1992 Act?
(A) Not less than one-third of the total number of seats must be reserved for women.
(B) Not less than one-third of the total number of offices for chairperson at all levels are reserved for women.
(C) The state legislatures can decide on reservation in favour of backward classes.
(D) Less than one-third of the total number of seats are reserved for women.

May/June 2008

35. Conceptually, what was the primary rationale behind creating the post of District Development Commissioner as recommended by the GVK Rao Committee?
(A) Acting as the chief executive officer of the Zila Parishad for developmental programs.
(B) Serving as an appellate judge for traditional Jati panchayat disputes in the district.
(C) Monitoring commercial bank lending rates for rural borrowers in the local area.
(D) Replacing the role of the Gram Sabha in conducting mandatory village assemblies.

Oct/Nov 2013

36. A village panchayat was dissolved exactly two years after its first meeting. According to the salient features of the 1992 Act, what is the required timeframe for holding fresh elections to constitute the new panchayat?
(A) Before the expiry of a period of six months from the date of its dissolution.
(B) Within a period of one year from the date of its formal dissolution by the state.
(C) Delayed until the original five-year term of the previous panchayat finally expires.
(D) Within a period of three months from the date of its formal dissolution by the state.

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May/June 2015

37. In which specific hill area does a district council exist instead of the standard Panchayati Raj setup?
(A) Hill area of Manipur
(B) Darjeeling district of West Bengal
(C) Mussoorie district of Uttarakhand
(D) Khasi Hills of Meghalaya

Oct/Nov 2012

38. What is the most significant democratic shift brought about by the Constitutional Amendment Act of 1992 concerning Panchayati Raj?
(A) The transfer of all judicial powers from the High Courts to the local Nyaya Panchayats.
(B) The centralization of all rural development funding under the Prime Minister's Office.
(C) The replacement of the multi-party election system with hereditary headmanship.
(D) The shift from representative democracy to participatory democracy at the grassroots level.

May/June 2011

39. Identify the incorrect pair regarding the election mechanisms under the salient features of the 1992 Act.
(A) Members at all levels of Panchayati Raj - Elected directly
(B) Chairpersons to intermediate and district level - Elected indirectly from elected members
(C) Chairperson at the village level - Elected as determined by the state government
(D) Members of the Zila Parishad - Nominated directly by the District Collector

Oct/Nov 2020

40. Consider the following statements regarding the GVK Rao and L M Singhvi committees:
I The GVK Rao Committee recommended creating the post of District Development Commissioner.
II The GVK Rao Committee suggested that Zila Parishad be the principal body to manage developmental programs at the district level.
III The L M Singhvi Committee recommended that Panchayati Raj systems should be constitutionally recognized.
IV The L M Singhvi Committee opposed the reorganization of villages to make the gram panchayat more viable.
V The L M Singhvi Committee proposed setting up judicial tribunals to adjudicate election matters.
Which combination of statements is correct?
(A) (I), (II), (III), and (V)
(B) (I), (II), (IV), and (V)
(C) (I), (III), (IV), and (V)
(D) (II), (III), (IV), and (V)

May/June 2022

41. Under the Constitutional Amendment Act of 1992, at what age does an individual attain the minimum age eligibility to not be disqualified for being chosen as a member of a panchayat?
(A) 18 years
(B) 21 years
(C) 25 years
(D) 30 years

Oct/Nov 2023

42. Match the Committees on Panchayati Raj in List I with the year of their report/establishment in List II.
List I: (Committee)
P. Balwant Rai Mehta Committee
Q. Ashok Mehta Committee
R. GVK Rao Committee
S. L M Singhvi Committee
List II: (Year)
1. 1957
2. 1977
3. 1985
4. 1986
(A) P-2, Q-1, R-4, S-3
(B) P-2, Q-3, R-1, S-4
(C) P-1, Q-2, R-3, S-4
(D) P-4, Q-3, R-2, S-1

May/June 2021

43. Conceptually, how does the Amendment Act of 1992 alter the status of Article 40 of the Constitution?
(A) It completely repeals Article 40 from the Directive Principles of State Policy.
(B) It mandates states to adopt the system by making Article 40 justiciable.
(C) It restricts the application of Article 40 strictly to urban municipalities.
(D) It makes Article 40 an optional directive with no binding force on state elections.

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Oct/Nov 2009

44. Which statement accurately reflects the adoption timeline of the Panchayati Raj system by Indian states?
(A) All Indian states simultaneously adopting the system upon its invention in 1957.
(B) No state adopting the system until the 73rd Amendment was passed in late 1992.
(C) Uttar Pradesh and Bihar initiating the system exclusively as a two-tier model.
(D) Rajasthan and Andhra Pradesh adopting the Panchayati Raj system in 1959.

May/June 2016

45. What is the defined term of office for all levels of the panchayat under the 1992 Act?
(A) Three years
(B) Four years
(C) Five years
(D) Six years

Oct/Nov 2022

46. Which statement best captures the historical evolution of the Panchayati system in India?
(A) A purely post-independence phenomenon invented specifically in the year 1992.
(B) A historically dominant political institution undermined by foreign rule and changes.
(C) A tool introduced strictly by the British as a means for revenue collection.
(D) An entity originating entirely from the recommendations of the L M Singhvi Committee.

May/June 2019

47. Identify the incorrect statement regarding the three-tier system stipulated by the Constitutional Amendment Act of 1992.
(A) The Act provides for the establishment of panchayats at the village, intermediate, and district levels.
(B) The establishment of the district level is optional for all states regardless of population.
(C) States with a population of less than 20 lakhs may not constitute the intermediate level.
(D) The three-tier system aims to establish democratic institutions at the grassroots level.

Oct/Nov 2006

48. Consider the following statements regarding the Ashok Mehta Committee:
I It recommended replacing the three-tier system with a two-tier system.
II The two tiers proposed were Zila Parishad and Mandal Panchayat.
III It suggested that the District Collector should hold all executive powers.
IV It recommended that the institutions have compulsory taxation powers to mobilize their own financial resources.
Which combination of statements is correct?
(A) (I), (II), and (III)
(B) (I), (II), and (IV)
(C) (II), (III), and (IV)
(D) (I), (III), and (IV)

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May/June 2005

49. A state government is drafting its new Panchayati Raj legislation in compliance with the 1992 Act. While creating the three-tier system is mandatory, the state legislature debates whether to endow the panchayats with certain taxation powers. Under the framework of the Act, how is the delegation of such financial powers categorized?
(A) It is a voluntary provision left to the discretion of the state government.
(B) It is a compulsory provision strictly enforced by the Union Finance Minister.
(C) It falls exclusively under the jurisdiction of the Reserve Bank of India.
(D) It is an unconstitutional violation of the Eleventh Schedule.

Oct/Nov 2010

50. Which of the following is not a common feature of the Panchayati Raj structure institutionalized in most states prior to the uniform 73rd Amendment variations?
(A) Panchayats at the village level.
(B) Panchayat samitis at the block level.
(C) Corporate governance boards at the hamlet level.
(D) Zila parishads at the district level.

May/June 2018

51. Which is the most appropriate condition regarding the disqualification of a person for being chosen as a member of a panchayat on the grounds of age?

(A) A person shall be disqualified if he is less than 30 years of age for any post.
(B) A person shall be disqualified if he is less than 25 years of age regardless of status.
(C) Age limit disqualifications are determined solely by the consensus of the village headman.
(D) No person shall be disqualified for being under 25 if they have attained 21 years.

Oct/Nov 2016

52. Consider the following statements regarding the Balwant Rai Mehta Committee:
I It recommended a three-tier Panchayati Raj system comprising Gram Panchayat, Panchayat Samiti, and Zila Parishad.
II It proposed that the Zila Parishad should be directly elected to act as the primary executive body.
Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2014

53. Identify the incorrect statement regarding the GVK Rao Committee (1985).
(A) It designated the Zila Parishad as the most important body in democratic decentralization.
(B) It recommended holding regular elections to the levels of Panchayati Raj systems.
(C) It recommended that village panchayats be stripped of all taxation powers.
(D) It advised assigning specific planning, implementation, and monitoring of rural developmental programs to the district and lower levels.

Oct/Nov 2007

54. Which of the following statements correctly defines the Gram Sabha under the salient features of the 1992 Act?
(A) A committee of elected Sarpanchs meeting regularly at the district level.
(B) An advisory body composed exclusively of local MPs and MLAs from the region.
(C) A village assembly consisting of all registered voters within the panchayat area.
(D) A financial tribunal appointed by the State Finance Commission to monitor funds.

May/June 2025

55. Which specific Part and Schedule were added to the Constitution by the Constitutional Amendment Act of 1992 to empower the Panchayats?
(A) Part IX and the Eleventh Schedule
(B) Part VIII and the Tenth Schedule
(C) Part X and the Twelfth Schedule
(D) Part XI and the Ninth Schedule

Oct/Nov 2019

56. Arrange the following committees appointed to study self-government at the rural level in chronological order of their formation:
I Ashok Mehta Committee
II L M Singhvi Committee
III Balwant Rai Mehta Committee
IV GVK Rao Committee
(A) (III), (I), (IV), (II)
(B) (I), (III), (II), (IV)
(C) (III), (IV), (I), (II)
(D) (I), (II), (III), (IV)

May/June 2009

57. Conceptually, how does the reservation of seats for Scheduled Castes and Scheduled Tribes determined across the three tiers of the Panchayati Raj?
(A) It is provided in accordance with their population percentage.
(B) It is fixed at a flat rate of 15% across all states.
(C) It is determined annually by the State Election Commission based on voter turnout.
(D) It is restricted only to the intermediate level.

Oct/Nov 2011

58. A state government intends to restructure its rural administration by grouping several villages together to form a Mandal Panchayat, making the Zila Parishad the executive body for planning at the district level. This specific administrative model directly aligns with the recommendations of which committee?
(A) Ashok Mehta Committee
(B) L M Singhvi Committee
(C) Balwant Rai Mehta Committee
(D) GVK Rao Committee

May/June 2010

59. Identify the correct pair linking the Constitution Amendment with its corresponding local body.

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(A) 73rd Constitution Amendment - Urban local bodies (municipalities)
(B) 74th Constitution Amendment - Rural local bodies (panchayats)
(C) 73rd Constitution Amendment - Rural local bodies (panchayats)
(D) 74th Constitution Amendment - District rural development agencies

Oct/Nov 2024

60. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.
Assertion (A): The Parliament passed the 73rd and 74th Constitution Amendments to make rural and urban local bodies 'institutions of self-government'.
Reason (R): Due to the sustained effort of civil society organizations, intellectuals, and progressive political leaders, constitutional backing was deemed necessary to ensure effective decentralization.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2017

61. Consider the following statements regarding the continuance of existing laws post the commencement of the 1992 Act (24 April 1993):
I All state laws relating to panchayats shall continue to be in force until the expiry of one year from the commencement of the Act.
II All existing Panchayats were instantly dissolved on 24 April 1993 regardless of their term.
Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2005

62. During a meeting, members authorize an officer to execute a project due to operational exigencies. Under the Act, to whom may the Zila Parishad delegate its conferred powers?
(A) To the Chief Executive Officer or any officer
(B) Only to the State Finance Minister
(C) Only to the Sarpanch of the largest village
(D) The Zila Parishad cannot delegate any of its powers under any circumstances

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May/June 2020

63. Consider the following statements regarding the financial powers that a state legislature may confer upon a panchayat:
I Authorize a panchayat to levy, collect and appropriate taxes, duties, tolls and fees.
II Assign to a panchayat taxes, duties, tolls and fees levied and collected by the Union Government.
III Provide for making grants-in-aid to the panchayats from the consolidated fund of the state.
IV Provide for the constitution of funds for crediting all money of the panchayats.
Which combination of statements is correct?
(A) (I), (II), and (III)
(B) (I), (III), and (IV)
(C) (II), (III), and (IV)
(D) (I), (II), and (III), and (IV)

Oct/Nov 2015

64. Which of the following is not an intended objective of the Rashtriya Gram Swaraj Abhiyan (RGSA)?
(A) Enhance capacities and effectiveness of Panchayats and the Gram Sabhas.
(B) Promote devolution of powers and responsibilities to Panchayats according to the Constitution and PESA Act.
(C) Centralize all local planning strictly under the District Development Commissioner.
(D) Create and strengthen democratic local self-government in areas where Panchayats do not exist.

May/June 2013

65. Match the constitutional and administrative concepts in List I with their descriptions/ impacts in List II.
List I: (Concept)
P. Multi-level federalism
Q. 73rd Amendment Act
R. PESA Act
S. Gram Sabha under PESA

List II: (Description)
1. Widened the democratic base of the Indian polity to grassroots levels.
2. Brought governance and issue redressal to villages challenging old hierarchies.
3. Extended provisions of Part IX to scheduled areas.
4. Ensures self-governance through traditional practices for tribal populations.

(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-1, R-4, S-3
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-3, R-2, S-1

Oct/Nov 2021

66. Match the timelines/locations in List I with their corresponding events related to the National Institute of Rural Development and Panchayati Raj (NIRD & PR) in List II.
List I: (Year)
P. 1958
Q. 1965
R. 1977
S. 2013
List II: (Event)
1. Shifted to its Hyderabad Campus.
2. Renamed as National Institute of Rural Development.
3. Established as National Institute of Community Development at Mussoorie.
4. Name changed to NIRD & PR.

(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-3, R-4, S-2
(C) P-2, Q-4, R-1, S-3
(D) P-4, Q-2, R-3, S-1

May/June 2024

67. Consider the following statements regarding the State Election Commission:
I It is responsible for the superintendence, direction, and control of the preparation of electoral rolls.
II It conducts elections exclusively for the state legislature and not for the panchayats.
III The state legislature may make provisions with respect to all matters relating to elections to the panchayats.
Which combination of statements is correct?
(A) (I) and (II)
(B) (I) and (III)
(C) (II) and (III)
(D) (I), (II), and (III)

Oct/Nov 2008

68. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.
Assertion (A): The Panchayat samitis heavily rely on resources like a share in the land cess, Community Development grants, and state allotments to Zila Parishad for specific schemes.
Reason (R): The Panchayat samitis do not have substantial financial resources of their own.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2006

69. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.
Assertion (A): Panchayat Raj bodies prepare plans for economic development, social justice, and social welfare encompassing subjects like rural electrification and public distribution systems.
Reason (R): These subjects are enumerated in the Eleventh Schedule relating to the duties of Panchayat Raj bodies.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

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Oct/Nov 2017

70. Following an election, a candidate attempts a civil lawsuit challenging seat allotment. Based on the 1992 Act, what is the likely legal outcome?
(A) The civil court will immediately stay the election results and order a recount.
(B) The court will accept the suit because the Act encourages interference in delimitation.
(C) The court is barred from interfering in matters of constituency seat allotment.
(D) The matter will be escalated automatically

to the Supreme Court for judicial review.

May/June 2008

71. Which statement correctly highlights the mandate of NIRD & PR regarding capacity building?
(A) Building capacities of stakeholders through training, research, and consultancy.
(B) Exclusively training state finance ministers on urban infrastructure planning.
(C) Supervising and auditing the financial statements of commercial banks in rural areas.
(D) Functioning solely as a judicial body to resolve inter-village Jati conflicts.

Oct/Nov 2013

72. The President wishes to apply the 1992 Act to a Union Territory but realizes local structures need adjustments. What authority does the President possess?
(A) The President cannot apply the Act to Union Territories under any circumstances.
(B) Applying the provisions subject to specific exceptions and modifications.
(C) The President must dissolve the Union Territory and convert it into a full state.
(D) The President requires the unanimous consent of all State legislatures to modify the Act.

May/June 2015

73. Which statement correctly identifies a power or function of the Zila Parishad specified in the Third Schedule of the Panchayati Raj Act?
(A) Strictly avoiding the coordination of minor irrigation works and vocational schools.
(B) Lacking any authority to acquire, hold, or dispose of property in the district.
(C) Serving primarily as a judicial tribunal for inter-jati disputes in the village.
(D) Coordinating Five-year plans and linking the state with lower-level bodies.

Oct/Nov 2012

74. Consider the following statements detailing the impact of constitutional steps on rural hierarchy:
I The system has brought governance and issue redressal to the grassroots levels.
II Local governance systems have strengthened age-old practices of hierarchy and discrimination against women.
III The local governance system has challenged traditional practices related to caste and religion.
Which combination of statements is correct?
(A) (I) and (II)
(B) (I) and (III)
(C) (II) and (III)
(D) (I), (II), and (III)

May/June 2011

75. Identify the incorrect statement regarding the convergence of rural programs.
(A) Action was initiated to ensure that the benefits of both schemes are converged.
(B) The convergence aims to maximize the benefits to the Gram Panchayats and people.
(C) Mission Antyodaya was announced in the year 2017-18 by the central government.
(D) The protocol prevents RGSA funds from being used in Mission Antyodaya villages.

Oct/Nov 2020

76. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.
Assertion (A): The state legislature may endow the Panchayats with powers to implement schemes for economic development and social justice.
Reason (R): The 1992 Act empowers the state to authorize Panchayats to handle matters including those listed in the Eleventh Schedule to enable them to function as institutions of self-governance.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2022

77. A block development officer organizes training modules for Gram Sabhas to enhance accountability, aligned with SDGs. This initiative is most likely a direct implementation of which program?
(A) Jajmani Reformation Scheme
(B) Mission Antyodaya exclusively
(C) Kudaria Mobilization Plan

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(D) Rashtriya Gram Swaraj Abhiyan (RGSA)

Oct/Nov 2023

78. Which of the following statements correctly describes the 'Bar to interference by courts' provision in the 1992 Act?
(A) Courts having unlimited jurisdiction to intervene in panchayat elections at any stage.
(B) Questioning any panchayat election through a standard civil suit without a petition.
(C) Designating High Courts as the primary returning officers for all panchayat elections.
(D) Barring courts from questioning laws relating to the delimitation of constituencies.

May/June 2012

79. Identify the incorrect statement regarding the powers of the Zila Parishad.
(A) It has powers to impose penalty on any person who has disobeyed a general order passed by it.
(B) It is constitutionally prohibited from entering into contracts for development projects.
(C) It is responsible for giving proper advice to Gram Panchayats and Block Samitis.
(D) It coordinates developmental activities such as village industries, sanitation, and public health.

Oct/Nov 2025

80. How is the intermediate tier in the Panchayat Raj system defined in terms of its jurisdiction in a majority of states?
(A) Jurisdiction restricted solely to the boundaries of a single village unit.
(B) Jurisdiction spans across multiple districts forming a larger administrative zone.
(C) Jurisdiction defined exclusively by the State Finance Commission's annual report.
(D) Jurisdiction co-extensive with the block or taluka depending on the state.

May/June 2023

81. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.
Assertion (A): NIRD & PR acts as a "think-tank" of the Ministry of Rural Development, GOI.
Reason (R): It is an autonomous organization mandated to facilitate the development of the rural poor and enhance their quality of life by undertaking training and research programs.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2018

82. Conceptually, why was the Panchayats (Extension to Scheduled Areas) Act 1996 (PESA) enacted by the Parliament?
(A) To extend Part IX to Fifth Schedule areas with necessary modifications.
(B) Because Part IX was automatically applicable to these areas with central control.
(C) To abolish traditional Gram Sabhas currently functioning in scheduled areas.
(D) To transfer the administrative control of these areas directly to the United Nations.

May/June 2007

83. Which of the following is not listed as an objective of the PESA Act?
(A) To provide self-rule for the tribal population through their traditional institutions.
(B) To have village governance with participatory democracy for the local residents.
(C) To preserve and safeguard traditions and customs of the tribal population in these areas.
(D) To centralize the powers and authority of lower-level panchayats at a higher level.

Oct/Nov 2009

84. Consider the following statements regarding the Rashtriya Gram Swaraj Abhiyan (RGSA):
I It aims to develop and strengthen the capacities of Panchayati Raj Institutions (PRIs).
II It prepares participatory plans that leverage technology for efficient resource utilization.
III The program's design embeds principles of Sustainable Development Goals (SDGs), leaving no one behind.
IV It excludes gender equality from its capacity building interventions.
V It seeks to strengthen the constitutionally mandated framework on which Panchayats

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are founded.

Which combination of statements is correct?

(A) (I), (II), (III), and (IV)
(B) (I), (II), (IV), and (V)
(C) (I), (II), (III), and (V)
(D) (II), (III), (IV), and (V)

May/June 2016

85. Conceptually, what is the nature of the Zila Parishad maintain an organic link among the three tiers of Panchayati Raj?

(A) By replacing all Gram Sarpanchs with state-appointed bureaucrats.
(B) By functioning independently without incorporating any members from the lower tiers.
(C) Through its ex-officio component, which generally comprises presidents of panchayat samitis.
(D) By granting exclusive voting rights only to members of Parliament.

Oct/Nov 2022

86. Consider the following statements regarding the institutional mechanisms for finance and audit under the 1992 Act:

I The State Finance Commission is constituted to review the financial position of the panchayats.
II The Finance Commission provides recommendations for the necessary steps to supplement resources to the panchayat.
III The State legislature may make provisions for the maintenance and audit of the accounts of panchayats.
IV The Comptroller and Auditor General of India directly audits every Gram Panchayat bypassing the state legislature.
V The President may direct the provisions of the Act to be applied to any union territory subject to exceptions.

Which combination of statements is correct?

(A) (I), (II), (III), and (V)
(B) (I), (II), (III), and (IV)
(C) (II), (III), (IV), and (V)
(D) (I), (III), (IV), and (V)

May/June 2019

87. Conceptually, what was the primary quantitative target of Mission Antyodaya announced by the GOI in 2017-18?

(A) To bring 50,000 households out of poverty to make one crore Gram Panchayats poverty-free.
(B) To bring one crore households out of poverty in order to make 50,000 Gram Panchayats poverty-free.
(C) To distribute one crore acres of Nistar land to 50,000 agricultural labourers.
(D) To establish 50,000 new commercial bank branches across one crore villages.

Oct/Nov 2006

88. Identify the incorrect statement regarding the areas exempted from the application of the Constitutional Amendment Act of 1992.

(A) The Act provisions do not apply to the states of Nagaland, Meghalaya, and Mizoram.
(B) The Darjeeling district of West Bengal is fully governed by the Act without any exemptions.
(C) The scheduled areas and the tribal areas in the states are exempted.
(D) The hill area of Manipur for which a district council exists is exempted.

May/June 2005

89. Consider the following statements regarding the finances of Panchayat Raj bodies:

I They receive funds from the state Government in the form of grants.
II They can earn by imposing taxes, tolls, and fees on commodities falling within their purview.
III The State Finance Commission reviews their financial position every five years.
IV The Union Finance Minister directly audits the accounts of all panchayats annually.

Which combination of statements is correct?

(A) (I), (II), and (III)
(B) (I), (II), and (IV)
(C) (II), (III), and (IV)
(D) (I), (III), and (IV)

Oct/Nov 2010

90. What is the most appropriate description of the main task of a Gram Panchayat?

(A) Developing infrastructure, supervising schools, and acting for the panchayat samiti.
(B) Enacting state-level legislation specifically for all agricultural subsidies.
(C) Managing international trade agreements for rural cottage industry products.
(D) Independently auditing the accounts of the

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Zila Parishad on a quarterly basis.

May/June 2018

91. Identify the incorrect statement concerning the operations and resources of the Panchayat Samiti.
(A) It operates through statutory committees dealing with production programs, social welfare, and education.
(B) The Panchayat samitis have abundant independent taxation sources generating surplus funds of their own.
(C) Its resources mainly consist of a share in the land or local cess and duty on transfers of property.
(D) It relies on Community Development grants and funds allotted by the state government to the Zila Parishad.

Oct/Nov 2016

92. Identify the incorrect statement regarding the constitutionally mandated framework under the RGSA.
(A) RGSA seeks to enable democratic decision-making and accountability in Panchayats.
(B) It promotes devolution of powers according to the spirit of the Constitution.
(C) It limits capacity building interventions strictly to members of the dominant Jati.
(D) It strengthens Gram Sabhas to function effectively as the basic forum of people's participation.

May/June 2014

93. Consider the following statements regarding the functioning of NIRD & PR:
I It undertakes, aids, promotes, and coordinates research on rural development programs across the States.
II It organizes training programs and conferences strictly for urban corporate executives.
Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2007

94. Arrange the following milestones in the evolution of the Panchayati Raj System's constitutional backing and structure in chronological order:
I The passing of the 73rd amendment to the constitution.
II Setting up of district level agencies like DRDA.
III Implementation of Balwantrai G. Mehta committee recommendations.
(A) (III), (II), (I)
(B) (I), (II), (III)
(C) (II), (III), (I)
(D) (III), (I), (II)

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May/June 2025

95. A Zila Parishad passes a resolution to authorize the CEO to sign contracts. Is this delegation valid under the Act?
(A) No, the Zila Parishad cannot delegate its power to acquire property or enter contracts.
(B) Yes, the Zila Parishad may delegate conferred powers to the CEO by resolution.
(C) No, only the Gram Sabha can authorize contracts for government development projects.
(D) Yes, but only if the delegation is approved by the Union Finance Minister directly.

Oct/Nov 2019

96. Identify the incorrect statement regarding the nature of rural society.
(A) The rural structure is constantly changing because of political changes and the spread of education.
(B) Rural society should be treated as a fixed entity with a rigid design and unchangeable pattern.
(C) The invasion of satellite TV has contributed to changes in the rural structure.
(D) Villages reflect the diversity of many castes and religions existing together united by geography and tradition.

May/June 2009

97. A consortium of commercial banks seeks apex institute training for managers on PRI functioning and rural development. Which institution is most appropriate?
(A) State Election Commission
(B) District Rural Development Agency (DRDA)
(C) State Finance Commission
(D) National Institute of Rural Development and Panchayati Raj (NIRD & PR)

Oct/Nov 2011

98. In which financial year did the Union Finance Minister announce the launch of the restructured scheme called Rashtriya Gram Swaraj Abhiyan (RGSA)?
(A) 1992-93
(B) 2013-14
(C) 2016-17
(D) 2017-18

May/June 2010

99. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.
Assertion (A): Action was initiated by GOI to ensure that the benefits of Mission Antyodaya and the RGSA are converged.
Reason (R): The convergence was intended to maximize the benefits to the Gram Panchayats and the rural population in achieving poverty-free status.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2024

100. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.
Assertion (A): The association of MPs, MLAs, and MLCs with the Zila Parishad is crucial for effective district administration.
Reason (R): It allows the Zila Parishad to maintain links with the state and central level policy-making bodies.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2017

101. A branch manager notices that men now interact monetarily rather than relying on traditional ritualistic exchanges for services. This signifies the breakdown of which mechanism?
(A) The Jajmani system
(B) The statutory Nyaya Panchayat
(C) The three-tier Panchayati Raj system
(D) The State Finance Commission

Oct/Nov 2005

102. Consider the following individuals/entities operating at the intermediate tier (Panchayat Samiti):
I Presidents of village panchayats (Sarpanchs) acting ex-officio.
II Local MPs, MLAs, and MLCs.
III Persons representing women and scheduled castes and tribes who are co-opted.
Which combination of these forms the membership of a typical Panchayat Samiti?
(A) (I) and (II)
(B) (I) and (III)
(C) (II) and (III)
(D) (I), (II), and (III)

May/June 2020

103. Which statement is correct regarding the institutional aims of the RGSA?
(A) Weakening the Gram Sabhas to transfer power to the Zila Parishad at the district level.
(B) Strengthening knowledge creation and capacity building of Panchayati institutions.
(C) Functioning to override the PESA Act in scheduled areas for central administration.
(D) Actively discouraging the use of technology in all local participatory planning.

Oct/Nov 2015

104. Which statement accurately outlines the legislative mechanism for maintaining financial transparency in panchayats?
(A) The local NGOs are solely responsible for auditing all local panchayat accounts.
(B) The Gram Panchayat independently designs its own unaudited accounting standards.
(C) The Reserve Bank of India sets the accounting laws for all three tiers of PRIs.
(D) The state legislature makes laws for the maintenance and audit of accounts.

May/June 2013

105. Match the socioeconomic features of a rural village in List I with their descriptions in List II.

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List I: (Socioeconomic Feature)
P. 'Haves' of the village
Q. 'Have nots' of the village
R. Village identity
S. Inter-jati ties
List II: (Description)
1. Land owning class
2. Work as labourers, do odd jobs, or migrate
3. Defined by fixed limits, Nistar land, and shared resources
4. Characterized by exchange of specialized occupational services
(A) P-2, Q-1, R-4, S-3
(B) P-3, Q-4, R-1, S-2
(C) P-1, Q-2, R-3, S-4
(D) P-4, Q-3, R-2, S-1

Oct/Nov 2021

106. Which of the following best encapsulates a core function of NIRD & PR?
(A) Physically constructing all rural roads and water supply networks in the states.
(B) Studying PRIs, analyzing planning problems, and disseminating information reports.
(C) Acting as the primary lending institution for all agricultural labourers in India.
(D) Enforcing the dissolution of non-performing Gram Panchayats across the country.

May/June 2024

107. A rural banker observes that anti-poverty programs in the 1980s were managed by a specific district-level agency. Which agency was responsible during that period?
(A) DRDA (District Rural Development Agency)
(B) NIRD (National Institute of Rural Development)
(C) PESA Authority
(D) State Election Commission

Oct/Nov 2008

108. Match the components of the Zila Parishad in List I with their characteristic roles in List II.
List I: (Component)
P. Presidents of panchayat samiti
Q. Local MPs, MLAs, and MLCs
R. Persons representing women and SC/ST
S. Representatives of co-operative societies
List II: (Role)
1. Link the Zila Parishad with state and central level policy making bodies.
2. Co-opted members whose memberships are reserved.
3. Ex-officio members providing an organic link among the three tiers.
4. Represent organizational stakeholders in the district.
(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-1, S-2
(D) P-2, Q-4, R-3, S-1

May/June 2006

109. A state targets poverty-free status for Gram Panchayats by targeting households. This approach is the core strategy of which initiative?
(A) Kudaria Resolution
(B) Jajmani Regeneration Program
(C) Urban Integration Scheme
(D) Mission Antyodaya

Oct/Nov 2017

110. Which of the following is an exception to the subjects enumerated in the Eleventh Schedule relating to the duties of Panchayat Raj bodies?
(A) Community assets
(B) Adult and non-formal education
(C) Monetary policy formulation
(D) Roads and water ways

May/June 2008

111. Which of the following is not a factor that has contributed to the changing power dynamics and reduction of influence of traditional panchayats?
(A) Expansion of infrastructure and presence of high-level government officials.
(B) Invasion of satellite TVs and digital media in a larger number of villages.
(C) State interventions, political movements, and various democratic processes.
(D) The rigidification of the Jajmani system preventing any economic mobility.

Oct/Nov 2013

112. In a dispute regarding whether a local MLA has the right to sit in Panchayat Samiti meetings, how is the MLA's membership categorized?
(A) Strictly prohibited from participating in any Panchayat Samiti meetings in the state.
(B) Included with or without voting rights depending on specific state provisions.
(C) Categorized as co-opted members

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representing only local cooperative societies.
(D) Replacing the Sarpanchs as the primary executive officers for the intermediate tier.

May/June 2015

113. Conceptually, what is the nature of the disciplinary power granted to the Zila Parishad regarding its general orders?
(A) It can banish individuals from the district permanently for social disturbances.
(B) It can direct the local police to seize agricultural lands without a legal warrant.
(C) It can impose penalties on any person who disobeys a general order passed by it.
(D) It possesses no disciplinary powers over the public residing within the district.

Oct/Nov 2012

114. Match the tiers of the Panchayati Raj System in List I with their common alternative names or geographical levels in List II.
List I: (Tier/Body)
P. Village Level
Q. Intermediate Level
R. District Level
S. Village body of voters
List II: (Common Name)
1. Panchayat Samiti / Block Level
2. Zila Parishad
3. Gram Sabha
4. Gram Panchayat
(A) P-1, Q-4, R-2, S-3
(B) P-4, Q-1, R-2, S-3
(C) P-3, Q-4, R-1, S-2
(D) P-2, Q-3, R-4, S-1

May/June 2011

115. A rural development officer designs a program structured around 'leaving no one behind' and gender equality. These principles align with which global framework?
(A) Universal Declaration of Human Rights
(B) Millennium Development Goals
(C) International Monetary Fund conditionalities
(D) Sustainable Development Goals (SDGs)

Oct/Nov 2020

116. Which of the following is an exception to the core functions of the NIRD & PR?
(A) Organizing seminars for bankers and NGOs.
(B) Analyzing and proposing solutions to problems in planning rural development programs.
(C) Undertaking action research on various flagship programs of the Ministry.
(D) Directly levying and collecting local tolls and fees from village markets.

May/June 2022

117. Match the definitions in List I with the corresponding terms in List II.
List I: (Description)
P. A system of local self-government of villages in rural India.
Q. A name given to a village body consisting of all eligible voters.
R. Scheme of GOI for developing capacities of PRIs for local governance.
S. A law enacted by GOI for ensuring self-governance in Scheduled Areas.
List II: (Term)
1. PESA Act 1996
2. Panchayati Raj
3. Rashtriya Gram Swaraj Abhiyan (RGSA)
4. Gram Sabha
(A) P-1, Q-3, R-2, S-4
(B) P-4, Q-2, R-1, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-2, Q-4, R-3, S-1

Oct/Nov 2023

118. Consider the following statements regarding the powers of the Zila Parishad:
I It coordinates developmental activities of the Panchayats.
II It has the power to do all acts necessary for or incidental to carrying out entrusted functions.
III It functions strictly as a ceremonial body without the power to enter into contracts.
IV It delegates powers to the Chief Executive Officer by resolution.
Which combination of statements is correct?
(A) (I), (II), and (III)
(B) (I), (II), and (IV)
(C) (II), (III), and (IV)
(D) (I), (III), and (IV)

May/June 2021

119. To maximize impact, a district pools resources from the RGSA's capacity-building funds and Mission Antyodaya targets. Which principle does this illustrate?

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(A) Convergence
(B) Factionalism
(C) Social stratification
(D) Centralized dictation

Oct/Nov 2014

120. Consider the following subjects relating to the plans prepared by Panchayat Raj bodies:
I Rural housing and drinking water.
II Rural electrification.
III Adult and non-formal education.
IV Health, sanitation, and public distribution system.
V Foreign direct investment policies.
Which combination of subjects is correctly enumerated under the Eleventh Schedule for panchayats?
(A) (I), (II), (III), and (IV)
(B) (I), (II), (IV), and (V)
(C) (II), (III), (IV), and (V)
(D) (I), (III), (IV), and (V)

May/June 2016

121. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.
Assertion (A): The Central Government passed the 73rd amendment to the constitution on 22 December 1992.
Reason (R): There was an emerging clear need for constitutional support to Panchayati Raj bodies as a result of the lukewarm response of State Governments in creating these bodies and sharing power with them.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2022

122. A banker consults a local body that has constitutional validity following the 22 December 1992 amendment. Which body is the banker consulting?
(A) The informal Jati panchayat
(B) The traditional village headman
(C) The Panchayati Raj body
(D) The local factional leader

May/June 2019

123. Match the institutional reforms in List I with their primary purpose in List II.
List I: (Reform/Institution)
P. 73rd Amendment of Constitution
Q. Mission Antyodaya
R. State Finance Commission
S. State Election Commission
List II: (Primary Purpose)
1. Removes weakness of Panchayati Raj and gives constitutional support.
2. Undertakes integrated plans to bring households out of poverty.
3. Reviews financial position and recommends principles for tax distribution.
4. Responsible for superintendence and conducting local elections.
(A) P-2, Q-1, R-4, S-3
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-3, Q-4, R-1, S-2

Oct/Nov 2006

124. What primary reason necessitated the integration of the Panchayati Raj system with development programs in the 1980s?
(A) The expansion of anti-poverty programs and the setting up of district agencies.
(B) The overabundance of financial resources within the local Gram Sabhas themselves.
(C) The complete and total eradication of caste differences across all rural areas.
(D) The mandate issued by the United Nations to abolish traditional panchayat systems.

May/June 2005

125. A survey finds groups have lost absolute power due to political shifts. What characteristic of rural society does this illustrate?
(A) That rural society is a static entity immune to external political movements.
(B) That rural society is changing depending on interventions and efforts made.
(C) That migration has entirely emptied villages, leaving no social structure behind.
(D) That traditional headmen have legally regained absolute control over the village.

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ANSWERS

1. (D) Fixed corporate equity shares distributed among villagers
Village identity is traditionally defined by shared resources such as commons, water bodies, and places of worship. It possesses fixed administrative and revenue limits. However, the concept of distributed corporate equity shares is not a feature of traditional village units, as economic life is based on agriculture and services rather than formal corporate structures or modern financial equity distributions.

2. (B) (I), (III), and (IV)
Migration of working populations significantly alters rural structures, while democratic processes have empowered previously marginalized groups. Additionally, high-level officials often diminish the traditional panchayats' influence. However, the spread of education does not keep values static; it generally promotes socio-cultural changes and modernization, making the statement regarding completely static values incorrect within the context of the evolving rural social structure.

3. (C) The local statutory panchayat
For developmental activities like financial inclusion, coordination with statutory panchayats is essential. These bodies are legally recognized institutions of self-government responsible for local planning and development. While Jati panchayats exist for social matters, statutory bodies hold the administrative authority and constitutional mandate to implement government programs and financial initiatives within the rural community to ensure effective grassroots implementation.

4. (C) Small farmers and some artisans - Middle class
In the traditional economic hierarchy of North Indian villages, landowners occupy the top tier, while landless agricultural labourers represent the bottom. Small farmers and certain artisans typically constitute the middle class. These groups provide essential services and engage in cultivation on a smaller scale, bridging the gap between the affluent land-owning elite and the marginalized and landless labour class.

5. (B) (I) and (III)
Historically, rural India featured both Jati panchayats and village panchayats. While Jati panchayats managed caste-specific rules, Nyaya Panchayats were established in several states to provide accessible and fast justice for minor legal cases. The office of the sarpanch was traditionally hereditary or consultative rather than exclusively determined by state-conducted democratic elections in the pre-modern era of rural administration.

6. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
In typical North Indian villages, economic status often mirrors the caste hierarchy. High-caste individuals generally form the dominant land-owning class, possessing the primary means of production. Conversely, low-caste groups frequently lack land and provide the majority of agricultural labour. This correlation reinforces social stratification, where ritual status and economic power are closely intertwined within the village community's structure.

7. (B) To interact effectively with panchayats for development programs.
Understanding rural social structures is vital for bankers to navigate local power dynamics effectively. This knowledge facilitates productive interactions with panchayats, which are pivotal for implementing developmental programs. By recognizing how caste, kinship, and leadership function, bankers can ensure better participation in credit schemes and ensure that financial services align with the specific socioeconomic needs of the village population.

8. (B) Economic, ritual, political, and social transactions between villages and urban areas have ceased.
Rural and urban areas maintain continuous and significant economic, ritual, political, and social

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transactions. While urban people may sometimes view villagers as simple and villagers may distrust urbanites as unreliable, the interaction between these spheres remains active. The assertion that these transactions have ceased is factually incorrect, as modernization and better connectivity have actually increased inter-dependence between both environments today.

9. (B) The high caste and affluent sections
In the socio-economic framework of many North Indian states, village panchayats are frequently dominated by high-caste and affluent members of the community. Their control over land and resources translates into significant political influence. This dominance often results in decision-making that prioritizes the interests of wealthy landowners, sometimes at the expense of landless labourers and marginalized social groups in villages.

10. (C) Jajmani system
The Jajmani system is a traditional sociological term describing the reciprocal relationship between different caste groups in rural India. In this arrangement, service-providing castes perform specific occupational tasks for land-owning families. Compensation is made through various means, including grain, cash, or other goods. This system emphasizes mutual interdependence and social stability within the traditional village's functional and economic structure.

11. (D) The state of Rajasthan
The Panchayati Raj system has certain geographic exceptions where it was not initially mandated, such as the states of Nagaland, Meghalaya, and Mizoram due to their unique tribal administrative structures. Rajasthan, however, is not an exception; in fact, it was the first state in India to adopt the Panchayati Raj system following the Balwant Rai Mehta committee recommendations.

12. (C) Division of labour enables mutual help and cooperation among residents.
Organic unity in an Indian village is primarily characterized by the functional interdependence of its residents. The traditional division of labour ensures that various groups provide specialized services and products to one another, fostering mutual help and cooperation. Although factions and conflicts exist, the necessity of shared resources and reciprocal services maintains the village as a cohesive social and economic unit.

13. (A) Growth of the rural economy reinforcing class over traditional caste dominance.
The shift in political influence from traditional land-owning upper castes to lower-caste peasant cultivators is largely driven by rural economic growth. As cultivation becomes more profitable and landownership patterns shift, economic class begins to challenge or reinforce traditional caste dominance. This transformation reflects how financial empowerment and changing agricultural dynamics can reshape the long-standing power structures within rural communities.

14. (C) Power alignments between individuals and families that are often antagonistic.
Factionalism in village life is defined by power alignments among individuals and families that are frequently antagonistic. These groups operate based on specific interests rather than formal state regulations or rigid Jati boundaries. Factions often involve cross-caste support and follow their own internal logic, creating a dynamic of competition for resources and influence that complicates the social harmony of villages.

15. (D) Dominance of local institutions by high castes and affluent socioeconomic sections.
When panchayat decisions consistently favour wealthy upper-caste landowners, it illustrates the ongoing dominance of local institutions by affluent socioeconomic sections. This reflects a power imbalance where traditional social hierarchies influence the functioning of statutory bodies. Despite democratic frameworks, the local elite often retain control over administrative processes, which can marginalize the needs and rights of landless or lower-caste labourers.

16. (A) Panchayati Raj
Panchayati Raj institutions are central to rural development in India. They act as the primary local bodies for planning and executing various social and economic projects. For bankers, continuous interaction with these institutions is necessary to implement credit-linked developmental activities successfully. These bodies provide the localized

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governance framework essential for reaching rural beneficiaries and ensuring the effective delivery of services.

17. (B) 18%
In the context of the broad demographic and caste patterns across Indian states, scheduled castes and scheduled tribes constitute approximately eighteen percent of the total population. This significant segment represents a group that has traditionally faced social and economic marginalization. Understanding these proportions is essential for designing inclusive development programs and ensuring equitable representation within various grassroots level governance institutions.

18. (A) Only (I)
Every village consists of multiple Jati segments that maintain distinct social and ritual ties in certain spheres. However, the presence of rigid Jati divisions does not mean that personal friendships or family animosities are absent. On the contrary, individual relationships and neighbourhood ties often coexist with caste structures. The second statement is incorrect because it falsely assumes caste rigidity eliminates interaction.

19. (D) Caste reinforcing class as land-ownership shifts toward peasant cultivators.
Growth in the rural economy has not led to the dissolution of caste identities. Instead, it has often resulted in caste reinforcing class structures. As land ownership shifts toward certain peasant cultivators, those groups gain both economic power and political clout. This synergy between traditional caste status and newly acquired economic class maintains and sometimes strengthens the patterns of dominance.

20. (A) Political clout developed by richer elements of dominant Jatis through economic power.
Dominance in rural India typically manifests as political influence wielded by the wealthier members of dominant Jatis. This clout is built upon substantial economic power, particularly landownership. While the specific dominant caste varies by region, the pattern remains consistent: economic resources allow these groups to control local institutions and maintain a superior position within the village's social and political hierarchy.

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21. (C) A three-tier structure of administration to develop local self-government in districts.
Panchayati Raj is defined as a three-tier administrative structure established to foster local self-government in rural India. It comprises the Gram Panchayat at the village level, the Panchayat Samiti at the block level, and the Zila Parishad at the district level. This system aims to decentralize power, ensuring that rural development is managed by the local community through representative and participatory mechanisms.

22. (B) The village functions strictly as a corporate group devoid of any fixed revenue or forest limits.
A village is characterized by its identity as a corporate unit with clearly defined features. It possesses fixed revenue and forest limits, along with shared resources such as wells, tanks, and village commons known as Nistar land. The claim that it lacks fixed limits is incorrect, as these boundaries are essential for administrative, legal, and economic activities within the rural structure.

23. (D) P-3, Q-2, R-1, S-4
Different regions in India have unique names for their inter-village Jati panchayats. The Misl is associated with Punjab, while the Khap is a well-known traditional system in Western Uttar Pradesh. In Northern Madhya Pradesh, the term Kudaria is used. General Jati panchayats also exist in small towns, where they maintain social and ritual regulations similar to those found in villages.

24. (A) (I), (II), (III), and (IV)
The population in Indian states roughly consists of seven percent Brahmins and eighteen percent scheduled castes and tribes. Middle castes, including merchants and landowners, make up about fifty percent. The remaining twenty-five percent comprises landless labourers and low-paid urban workers. These figures provide a conceptual framework for understanding the socioeconomic stratification and demographic composition that influences rural political and economic life.

25. (B) P-4, Q-1, R-2, S-3
Specific Jatis hold dominant positions in various states due to their landownership and population

size. Jats are prominent in Punjab and Haryana, while Bhumihars are a dominant land-owning group in Bihar. In Gujarat, the Patidars hold significant economic and political influence. Similarly, the Vokkaligas represent a powerful and influential land-owning community in Karnataka, shaping local governance and political dynamics.

26. (D) Family, kinship, caste, stratification, power, and religion
The traditional rural structure of an Indian village is built upon several foundational social elements. These include family units, kinship networks, and the caste system, which together create a framework of social stratification. Additionally, power dynamics and religious practices are integral to the community's organization. These factors collectively define how individuals interact, access resources, and participate in the social life.

27. (A) High-caste - Urban-low-paid workers
In rural hierarchies, high-caste groups typically correspond to the land-owning class rather than urban low-paid workers. Low-caste groups generally form the majority of landless agricultural labourers. Small farmers often occupy the middle of the hierarchy. The pairing of high-caste with urban low-paid workers is incorrect because high-caste status in villages is usually associated with traditional ownership and economic privilege.

28. (A) Interdependence through exchange of specialized occupational services.
The Jajmani system is defined by the functional interdependence between different castes in a village. It involves a reciprocal exchange where service-providing castes offer specialized occupational services to land-owning castes. This arrangement is governed by traditional norms and is typically compensated with a share of the harvest or other goods, maintaining social and economic stability through mutual obligation and reciprocal ties.

29. (C) Urban Corporate Elites
The caste pattern in Indian states is traditionally categorized into groups such as Brahmins, Non-Brahmins, and Scheduled Castes and Tribes, which are based on historical social hierarchy. These classifications are rooted in the traditional caste system. In contrast, Urban Corporate Elites represent a modern economic and professional grouping, not a caste category, and therefore do not form part of the traditional caste pattern.

30. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Village factions are solidarity groups formed by individuals or families who may belong to different Jatis. They are primarily driven by shared interests rather than rigid social rules. Because these alignments follow their own internal logic of competition and cooperation, members might join a faction regardless of conflicting Jati interests, provided the alliance serves their specific goals for power access.

31. (A) (I) and (II)
The Balwant Rai Mehta Committee emphasized planning and development as the primary goals of the Panchayati Raj system. It also recommended that the District Collector serve as the chairman of the Zila Parishad. However, the committee proposed that the Panchayat Samiti should be an executive body with significant powers, rather than just a strictly advisory and supervisory entity for development.

32. (C) Both (I) and (II)
The Constitutional Amendment Act of 1992 includes both compulsory and voluntary provisions. Compulsory provisions must be incorporated into state laws to establish the new Panchayati Raj framework. Voluntary provisions, on the other hand, are left to the discretion of individual state governments, allowing them to decide on specific powers and responsibilities based on their local political and administrative requirements for governance.

33. (B) Article 40 of the Constitution which empowers village panchayats as self-governments.
Article 40 of the Indian Constitution, part of the Directive Principles of State Policy, mandates that the state should organize village panchayats. It empowers these bodies with the necessary authority to function as units of self-government. While initially non-justiciable, the 73rd Amendment effectively operationalized this directive by providing a mandatory constitutional

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framework for the Panchayati Raj system across the country.

34. (D) Less than one-third of the total number of seats are reserved for women.
The 1992 Act stipulates that not less than one-third of the total number of seats in Panchayati Raj institutions must be reserved for women. This requirement also applies to the offices of chairpersons at all levels. Any provision that reserves less than one-third of the seats or offices would be an exception to the rules established by the constitutional mandate.

35. (A) Acting as the chief executive officer of the Zila Parishad for developmental programs.
The GVK Rao Committee recommended the creation of the post of District Development Commissioner to enhance district-level administration. The primary rationale was for this official to serve as the chief executive officer of the Zila Parishad, specifically responsible for managing and coordinating all rural developmental programs. This aimed to streamline planning and implementation by placing a dedicated official in charge.

36. (A) Before the expiry of a period of six months from the date of its dissolution.
According to the salient features of the 1992 Act, if a panchayat is dissolved prematurely, fresh elections must be held to reconstitute it. The mandated timeframe for these elections is before the expiry of a period of six months from the date of the dissolution. This ensures that the local governance body is not left vacant for an extended period.

37. (A) Hill area of Manipur
While the Panchayati Raj system is the standard model across most of India, certain regions are exempt due to their unique ethnic or administrative history. In the hill areas of Manipur, a district council exists instead of the standard Panchayati Raj setup. This arrangement recognizes the specific governance needs of the tribal populations in that region, separate from the 73rd Amendment's framework.

38. (D) The shift from representative democracy to participatory democracy at the grassroots level.
The 1992 Act brought about a fundamental shift by moving beyond simple representative democracy to participatory democracy at the grassroots level. By giving constitutional status to the Gram Sabha and ensuring regular elections and reservations, the Act enabled local residents to participate directly in the decision-making processes that affect their lives and development, empowering the most basic units of rural governance.

39. (D) Members of the Zila Parishad - Nominated directly by the District Collector
Under the 1992 Act, members of the Zila Parishad are not nominated by the District Collector; instead, they are elected directly by the people. While chairpersons at the intermediate and district levels are elected indirectly from among the elected members, the membership itself is determined through direct democratic suffrage. This ensures that the highest tier of the Panchayati Raj remains accountable.

40. (A) (I), (II), (III), and (V)
The GVK Rao Committee proposed making the Zila Parishad the principal body for district development and creating the District Development Commissioner role. The L M Singhvi Committee was instrumental in recommending constitutional recognition for Panchayati Raj and suggested judicial tribunals for election disputes. Contrary to statement four, the Singhvi Committee actually supported reorganizing villages to make gram panchayats more viable.

41. (B) 21 years
The Constitutional Amendment Act of 1992 specifies the minimum age for eligibility to be a member of a panchayat. While the voting age is eighteen, an individual must have attained at least twenty-one years of age to be eligible for election as a member. A person cannot be disqualified on the grounds of age if they have met this requirement.

42. (C) P-1, Q-2, R-3, S-4
The evolution of Panchayati Raj is marked by several key committees. The Balwant Rai Mehta Committee was established in 1957, followed by the Ashok Mehta Committee in 1977. Later, the

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GVK Rao Committee submitted its report in 1985, and the L M Singhvi Committee was formed in 1986. These committees progressively shaped the recommendations that led to the amendment.

43. (B) It mandates states to adopt the system by making Article 40 justiciable.
The 1992 Amendment Act transformed the status of Article 40 by giving it a practical, mandatory framework. While Article 40 was originally a non-binding directive, the Act made the establishment of panchayats a constitutional obligation for states. By creating Part IX of the Constitution, it effectively made the principles of Article 40 justiciable, ensuring the development of local self-government.

44. (D) Rajasthan and Andhra Pradesh adopting the Panchayati Raj system in 1959.
Following the recommendations of the Balwant Rai Mehta Committee, Rajasthan became the first state to adopt the Panchayati Raj system on October 2, 1959. Andhra Pradesh followed shortly thereafter in the same year. While other states gradually implemented their own versions of the system, these two states were the pioneers in establishing the three-tier structure of rural local governance.

45. (C) Five years
The 1992 Act provides for a uniform five-year term of office for all levels of the Panchayati Raj system. This includes the Gram Panchayat, the Panchayat Samiti, and the Zila Parishad. This fixed duration ensures stability in local administration while mandating regular periodic elections to maintain democratic accountability and allow for the renewal of leadership within the rural governance structure.

46. (B) A historically dominant political institution undermined by foreign rule and changes.
The village panchayat system is an ancient institution in India that was historically the foundation of rural life and governance. However, its influence and autonomy were significantly undermined during centuries of foreign rule and administrative changes. Post-independence efforts, culminating in the 73rd Amendment, sought to revive and formalize these traditional bodies as modern institutions of democratic self-government within the constitution.

47. (B) The establishment of the district level is optional for all states regardless of population.
The establishment of the district level is a mandatory requirement for all states under the 1992 Act. Only the intermediate level is optional for states with a population of less than twenty lakhs. The Act aims to establish a consistent three-tier structure across the country to ensure that democratic decentralization reaches all levels of rural administration through these statutory bodies.

48. (B) (I), (II), and (IV)
The Ashok Mehta Committee famously recommended replacing the three-tier system with a two-tier model consisting of the Zila Parishad and Mandal Panchayat. It also suggested that these institutions should have compulsory taxation powers to ensure financial independence. However, it did not suggest that the District Collector should hold all executive powers; instead, it favoured the Zila Parishad as executive body.

49. (A) It is a voluntary provision left to the discretion of the state government.
Endowing panchayats with the power to levy, collect, and appropriate taxes is classified as a voluntary provision under the 1992 Act. This means that while the constitutional framework allows for such delegation, the final decision rests with the individual state legislatures. States can choose whether and to what extent they grant these financial powers to their local bodies for resource mobilization.

50. (C) Corporate governance boards at the hamlet level.
Prior to the uniform 73rd Amendment, the most common features of the Panchayati Raj structure across various states included panchayats at the village level, panchayat samitis at the block level, and zila parishads at the district level. Informal or formal structures at the hamlet level might exist, but corporate governance boards were not a standardized or recognized feature of PRI tiers.

51. (D) No person shall be disqualified for being under 25 if they have attained 21 years.
Under the 1992 Act, no person shall be disqualified from being chosen as a member of a panchayat on the grounds of age if they

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have attained twenty-one years. Although twenty-five is the standard age for several other legislative bodies, the constitutional provision for panchayats specifically lowers this threshold to twenty-one to encourage younger participation in grassroots governance and leadership.

52. (A) Only (I)
The Balwant Rai Mehta Committee recommended the three-tier system of Gram Panchayat, Panchayat Samiti, and Zila Parishad. However, it did not propose that the Zila Parishad be a directly elected executive body. Instead, it suggested that the Panchayat Samiti should be the executive body, while the Zila Parishad was intended to serve primarily as an advisory and supervisory body.

53. (C) It recommended that village panchayats be stripped of all taxation powers.
The GVK Rao Committee emphasized the importance of regular elections and democratic decentralization. It did not recommend stripping village panchayats of taxation powers. On the contrary, the committee focused on strengthening district-level planning and management, designating the Zila Parishad as the most important body for handling rural developmental programs to ensure that development was managed locally rather than bureaucratically.

54. (C) A village assembly consisting of all registered voters within the panchayat area.
Under the salient features of the 1992 Act, the Gram Sabha is defined as a village assembly consisting of all persons who are registered as voters in the area of the panchayat. It is the most fundamental unit of the Panchayati Raj system, providing a platform for direct participatory democracy where all residents can participate in discussing and monitoring village development.

55. (A) Part IX and the Eleventh Schedule
The Constitutional Amendment Act of 1992 added Part IX to the Indian Constitution, titled "The Panchayats." Along with this new part, the Eleventh Schedule was introduced, which enumerates twenty-nine functional items that fall under the jurisdiction of the panchayats. This provided the necessary legal and structural foundation for these bodies to operate as constitutionally recognized institutions of self-government in India.

56. (A) (III), (I), (IV), (II)
The study of rural self-government followed a specific timeline of committees. The Balwant Rai Mehta Committee came first in 1957. The Ashok Mehta Committee followed in 1977. In the mid-1980s, the GVK Rao Committee was formed in 1985, and finally, the L M Singhvi Committee was established in 1986. This sequence reflects the progressive refinement of ideas leading to the 1992 amendment.

57. (A) It is provided in accordance with their population percentage.
The 1992 Act mandates that seats for Scheduled Castes and Scheduled Tribes must be reserved in every panchayat across all three tiers. The number of seats reserved is determined in proportion to their population in the respective panchayat area. This ensures that these traditionally marginalized communities receive equitable representation in local governance, reflecting their demographic weight within the rural community.

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58. (A) Ashok Mehta Committee
The proposal to group villages into a Mandal Panchayat and make the Zila Parishad the executive body for planning is a specific recommendation of the Ashok Mehta Committee. Unlike the three-tier system suggested by earlier committees, the Ashok Mehta model focused on a two-tier structure to improve administrative efficiency and resource management at the district and sub-district levels in rural areas.

59. (C) 73rd Constitution Amendment - Rural local bodies (panchayats)
The 73rd Constitution Amendment Act specifically deals with the establishment and empowerment of rural local bodies, known as panchayats. In contrast, the 74th Constitution Amendment Act is dedicated to urban local bodies, such as municipalities and municipal corporations. Together, these amendments were designed to strengthen local self-government across both the rural and urban sectors of the Indian polity and administration.

60. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The 73rd and 74th Amendments were passed to transform rural and urban local bodies into genuine institutions of self-government. This move was necessitated by the realization that effective decentralization required formal constitutional backing. The sustained efforts of various stakeholders, including civil society and progressive leaders, highlighted the need for a legal framework to ensure these bodies had effective authority.

61. (A) Only (I)
Following the commencement of the 1992 Act on April 24, 1993, existing state laws relating to panchayats were allowed to remain in force for a maximum of one year. This gave states time to align their legislation with the new constitutional requirements. However, existing panchayats were not instantly dissolved; they were allowed to complete their current terms unless dissolved sooner.

62. (A) To the Chief Executive Officer or any officer
The 1992 Act allows the Zila Parishad to delegate its conferred powers to the Chief Executive Officer or any other designated officer. This delegation is typically done through a formal resolution passed by the Parishad. Such a mechanism provides the necessary operational flexibility for the administrative execution of projects and decisions, ensuring that the body can function efficiently in daily matters.

63. (B) (I), (III), and (IV)
State legislatures can authorize panchayats to levy and collect certain taxes and fees, provide grants-in-aid from the state's consolidated fund, and establish specific funds for panchayat money. However, assigning taxes collected by the Union Government is not a standard provision for state-level panchayat legislation. These powers are designed to enhance the financial autonomy and resource management capabilities of local bodies.

64. (C) Centralize all local planning strictly under the District Development Commissioner.
The Rashtriya Gram Swaraj Abhiyan (RGSA) aims to enhance the capacity and effectiveness of panchayats and promote the devolution of powers according to the Constitution. It also seeks to strengthen democratic governance where panchayats do not exist. Centralizing all local planning under a single district official would contradict the RGSA's fundamental goal of fostering decentralized, participatory governance and self-rule.

65. (A) P-1, Q-2, R-3, S-4
Multi-level federalism widened the democratic base to the grassroots. The 73rd Amendment brought governance to villages, challenging old hierarchies. The PESA Act extended Part IX provisions to scheduled areas with necessary adaptations. Under PESA, the Gram Sabha ensures self-governance by allowing tribal populations to manage their affairs according to traditional practices and customs, ensuring cultural and administrative autonomy.

66. (A) P-3, Q-1, R-2, S-4
The National Institute of Community Development was established in 1958 at Mussoorie. It shifted to its Hyderabad campus in 1965. In 1977, the institute was renamed the National Institute of Rural Development (NIRD). Finally, in 2013, the name was further expanded to the National Institute of Rural Development and Panchayati Raj (NIRD & PR) to reflect its focus.

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67. (B) (I) and (III)
The State Election Commission is responsible for the superintendence, direction, and control of electoral rolls and the conduct of elections for panchayats. The state legislature has the authority to make provisions for all matters relating to these local elections. Statement two is incorrect because the State Election Commission's primary mandate under the 1992 Act is specifically for local bodies.

68. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Panchayat samitis typically lack substantial independent financial resources. Consequently, they are heavily dependent on external funding, such as shares in land cess, Community Development grants, and specific state allotments channelled through the Zila Parishad.

This financial dependence characterizes their operational structure, as most of their budget for developmental schemes and administrative tasks comes from these higher-level government allocations.

69. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Panchayati Raj bodies are responsible for preparing and implementing plans for economic development and social justice. These plans cover subjects like rural electrification, roads, and public distribution systems. Because these specific duties are enumerated in the Eleventh Schedule of the Constitution, the local bodies have a clear mandate and legal obligation to address these areas within their respective jurisdictions.

70. (C) The court is barred from interfering in matters of constituency seat allotment.
The 1992 Act contains a specific provision that bars courts from interfering in matters related to the delimitation of constituencies or the allotment of seats to such constituencies. Any law relating to these matters cannot be questioned in a court. Therefore, a civil lawsuit challenging seat allotment would likely be rejected by the court based on this constitutional bar to interference.

71. (A) Building capacities of stakeholders through training, research, and consultancy.
The primary mandate of the National Institute of Rural Development and Panchayati Raj (NIRD & PR) is to build the capacities of various stakeholders in the rural development sector. It achieves this through comprehensive training programs, rigorous research, and consultancy services. By empowering officials and elected representatives, the institute ensures that rural development programs are planned and implemented more effectively.

72. (B) Applying the provisions subject to specific exceptions and modifications.
The President of India has the authority to direct that the provisions of the 1992 Act apply to any Union Territory. While doing so, the President can specify any exceptions or modifications deemed necessary to suit the specific administrative requirements of the territory. This flexibility ensures that the principles of local self-government can be implemented appropriately within the unique governance structure.

73. (D) Coordinating Five-year plans and linking the state with lower-level bodies.
According to the Third Schedule, the Zila Parishad plays a vital role in coordinating five-year plans and other developmental activities within the district. It serves as an essential link between the state government and the lower-level panchayat bodies. Its functions include advising on development, coordinating minor irrigation works, and ensuring that schemes are implemented effectively across the various blocks.

74. (B) (I) and (III)
Constitutional reforms have successfully brought governance and issue redressal to the grassroots level. This local governance system has actively challenged traditional hierarchies and practices related to caste and religion. However, the assertion that it has strengthened discrimination against women is incorrect; the system includes mandatory reservations for women specifically designed to empower them and dismantle old patterns of inequality.

75. (D) The protocol prevents RGSA funds from being used in Mission Antyodaya villages.
The convergence of rural programs, such as Mission Antyodaya and the Rashtriya Gram Swaraj Abhiyan (RGSA), is intended to maximize benefits for Gram Panchayats. Far from preventing fund use, the protocol actually encourages the strategic alignment of resources to achieve poverty-free status. The claim that the protocol prevents the use of RGSA funds in Mission Antyodaya villages is incorrect.

76. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The 1992 Act allows state legislatures to endow panchayats with the power to implement economic development and social justice schemes. This is because the Act explicitly empowers the state to authorize local bodies to handle the twenty-nine subjects listed in the Eleventh Schedule. This legal foundation ensures that panchayats can function as effective

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institutions of self-governance by managing development.

77. (D) Rashtriya Gram Swaraj Abhiyan (RGSA)
The Rashtriya Gram Swaraj Abhiyan (RGSA) is the primary program focused on developing and strengthening the capacities of Panchayati Raj Institutions. It specifically includes training for Gram Sabhas to enhance accountability and is designed around global frameworks like the Sustainable Development Goals (SDGs). Such initiatives aim to empower local bodies with the knowledge and skills needed for effective participatory planning.

78. (D) Barring courts from questioning laws relating to the delimitation of constituencies.
The 1992 Act includes a provision titled 'Bar to interference by courts' which protects the electoral process from excessive litigation. It specifically bars any court from questioning the validity of laws relating to the delimitation of constituencies or the allotment of seats. Furthermore, it stipulates that panchayat elections can only be challenged through an election petition presented according to state law.

79. (B) It is constitutionally prohibited from entering into contracts for development projects.
The Zila Parishad is not prohibited from entering into contracts; in fact, it has the power to do all acts necessary to carry out its entrusted functions, including acquiring property and entering into contracts. It also coordinates activities like sanitation and public health and provides advice to Gram Panchayats. The statement claiming it is constitutionally prohibited from contracts is factually incorrect.

80. (D) Jurisdiction co-extensive with the block or taluka depending on the state.
In the three-tier Panchayati Raj system, the jurisdiction of the intermediate tier—most commonly known as the Panchayat Samiti—is typically co-extensive with a block or taluka. This level of administration serves as a vital bridge between the individual village-level Gram Panchayats and the district-level Zila Parishad, coordinating developmental activities and resource distribution across a specific group of villages.

81. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The National Institute of Rural Development and Panchayati Raj (NIRD & PR) functions as the primary "think-tank" for the Ministry of Rural Development. As an autonomous organization, its mandate is to facilitate the development of the rural poor. By conducting research and training programs, it provides the ministry with evidence-based insights and innovative solutions to enhance rural life.

82. (A) To extend Part IX to Fifth Schedule areas with necessary modifications.
The Panchayats (Extension to Scheduled Areas) Act 1996 was enacted to extend the provisions of Part IX of the Constitution to the Fifth Schedule areas. These areas, which have significant tribal populations, were initially exempt from the 73rd Amendment. PESA ensures that these communities enjoy the benefits of local self-government while incorporating modifications that respect and protect their traditions.

83. (D) To centralize the powers and authority of lower-level panchayats at a higher level.
The objectives of the PESA Act include providing self-rule for tribal populations, fostering participatory democracy through Gram Sabhas, and safeguarding traditional customs. Its core purpose is decentralization and empowerment at the local level. Therefore, any objective aimed at centralizing the powers and authority of lower-level panchayats at a higher level would be a direct contradiction of its fundamental goals.

84. (C) (I), (II), (III), and (V)
The Rashtriya Gram Swaraj Abhiyan (RGSA) aims to strengthen the capacities of PRIs, use technology for participatory planning, and incorporate Sustainable Development Goals. It is founded on the constitutional framework for local governance. Statement four is incorrect because RGSA specifically includes gender equality as a key component of its capacity-building interventions, rather than excluding it from the program's design.

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85. (C) Through its ex-officio component, which generally comprises presidents of panchayat samitis.
The Zila Parishad maintains an organic link with the lower tiers of the Panchayati Raj system through its ex-officio membership. This typically includes the presidents of all the Panchayat Samitis within the district. This structural integration ensures that the decisions and needs of the intermediate and village levels are directly represented and considered during the district-level planning and coordination process.

86. (A) (I), (II), (III), and (V)
The 1992 Act mandates the creation of a State Finance Commission to review panchayat finances and recommends steps for resource supplementation. It also allows state legislatures to make laws for auditing panchayat accounts and grants the President power to apply the Act to Union Territories. Statement four is incorrect as the CAG does not directly audit every Gram Panchayat.

87. (B) To bring one crore households out of poverty in order to make 50,000 Gram Panchayats poverty-free.
Mission Antyodaya was announced by the Government of India with a specific quantitative goal for poverty reduction. The target was to bring one crore households out of poverty, which would effectively make fifty thousand Gram Panchayats poverty-free. This initiative focuses on the convergence of various government schemes to provide targeted support and resources to the most vulnerable rural families.

88. (B) The Darjeeling district of West Bengal is fully governed by the Act without any exemptions.
While the 1992 Act provisions do not apply to Nagaland, Meghalaya, Mizoram, and certain tribal or scheduled areas, the Darjeeling district of West Bengal also has a special status. It is governed by the Darjeeling Gorkha Hill Council, making it an exception to the standard Panchayati Raj framework. The claim that Darjeeling is fully governed by the Act is incorrect.

89. (A) (I), (II), and (III)
Panchayat Raj bodies obtain their finances through state government grants and by levying their own taxes, tolls, and fees. Their financial position is periodically reviewed by the State Finance Commission every five years. However, the Union Finance Minister does not conduct annual audits of all panchayats. Auditing procedures are instead determined by the respective state legislatures according to constitutional provisions.

90. (A) Developing infrastructure, supervising schools, and acting for the panchayat samiti.
The primary task of a Gram Panchayat involves localized development and administration. This includes maintaining and developing village infrastructure, supervising primary schools, and managing community assets. Additionally, it acts as the basic executive unit for implementing programs directed by the Panchayat Samiti. These activities are designed to improve the daily life and essential services available to the residents within the village.

91. (B) The Panchayat samitis have abundant independent taxation sources generating surplus funds of their own.
In reality, Panchayat Samitis do not have abundant independent taxation sources and rarely generate surplus funds. Their financial strength is quite limited, making them highly reliant on shares from local cess, Community Development grants, and state funds allocated via the Zila Parishad. The assertion that they have substantial independent resources is incorrect, as financial dependency on higher-level government bodies is common.

92. (C) It limits capacity building interventions strictly to members of the dominant Jati.
The Rashtriya Gram Swaraj Abhiyan (RGSA) is designed to be inclusive and equitable. It aims to strengthen Gram Sabhas and promote democratic decision-making for all residents. Therefore, the idea that it limits its capacity-building interventions strictly to members of the dominant Jati is incorrect. The program specifically targets the empowerment of all elected representatives and stakeholders regardless of background.

93. (A) Only (I)
The NIRD & PR is dedicated to promoting and coordinating research on rural development programs across all Indian states. It serves as a central hub for training and information

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dissemination. However, its training programs and conferences are not for urban corporate executives; they are specifically designed for rural development officials, panchayat representatives, and other stakeholders involved in rural livelihoods.

94. (III), (II), (I)
The evolution of Panchayati Raj began with the implementation of the Balwant Rai Mehta Committee's recommendations in the late 1950s. This was followed by the establishment of district-level agencies like the DRDA during the 1970s and 1980s to manage anti-poverty programs. The final milestone was the passing of the 73rd Amendment in 1992, which provided the system constitutional status.

95. (B) Yes, the Zila Parishad may delegate conferred powers to the CEO by resolution.
Under the relevant Panchayati Raj legislation, a Zila Parishad has the legal authority to delegate its conferred powers to its Chief Executive Officer. This is accomplished by passing a formal resolution. Such delegation allows the CEO to handle administrative tasks like signing contracts and acquiring property on behalf of the Parishad, ensuring that developmental projects can proceed without operational delays.

96. (B) Rural society should be treated as a fixed entity with a rigid design and unchangeable pattern.
Rural society is not a static or fixed entity; it is constantly evolving due to political changes, education, and modern influences like digital media and migration. While it reflects diverse castes and religions, the patterns of power and interaction are dynamic. Treating rural society as a rigid and unchangeable design is incorrect, as it overlooks the significant social transformations occurring.

97. (D) National Institute of Rural Development and Panchayati Raj (NIRD & PR)
The National Institute of Rural Development and Panchayati Raj (NIRD & PR) is the premier national institution for training, research, and consultancy in the rural sector. It is the most appropriate body for providing specialized training to bank managers and other professionals on the functioning of Panchayati Raj Institutions and the nuances of rural development programs and village governance structures.

98. (C) 2016-17
The restructured Rashtriya Gram Swaraj Abhiyan (RGSA) was announced by the Union Finance Minister during the 2016-17 financial year. This scheme was introduced to replace and consolidate earlier capacity-building efforts, providing a more focused and well-funded approach to strengthening Panchayati Raj Institutions across the country. It emphasizes the use of technology and the achievement of Sustainable Development Goals.

99. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The Government of India initiated actions to ensure the convergence of Mission Antyodaya and the RGSA. This integration was intended to maximize the impact on Gram Panchayats and rural residents by aligning capacity-building efforts with poverty-reduction targets. By combining these initiatives, the government aimed to create a more efficient pathway for villages to achieve poverty-free status through holistic development.

100. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The association of Members of Parliament and Members of the Legislative Assembly with the Zila Parishad is crucial for effective district administration. This participation provides a vital link between local governance and state or central policy-making bodies. It ensures that district-level needs are communicated to higher levels of government and that national and state policies are effectively integrated locally.

101. (A) The Jajmani system
The shift from traditional, ritualistic exchanges of services to modern monetary transactions signifies the breakdown of the Jajmani system. Historically, this system relied on reciprocal relationships and payment in kind or through long-term social obligations. As the rural economy modernizes and becomes more market-oriented, these traditional arrangements are

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increasingly replaced by cash-based contracts, reflecting deeper changes in social fabric.

102. (D) (I), (II), and (III)
A typical Panchayat Samiti is composed of several categories of members. This includes the Sarpanchs of all village panchayats within its jurisdiction who serve as ex-officio members. Additionally, local MPs, MLAs, and MLCs are often included. The body also features co-opted members who represent specific groups such as women and scheduled castes or tribes, ensuring broad representation in governance.

103. (B) Strengthening knowledge creation and capacity building of Panchayati institutions.
The core institutional aim of the Rashtriya Gram Swaraj Abhiyan (RGSA) is to strengthen the processes of knowledge creation and capacity building for Panchayati Raj Institutions. It focuses on empowering local bodies through training and the use of technology for participatory planning. The program is designed to enhance the ability of panchayats to function as effective and accountable units.

104. (D) The state legislature makes laws for the maintenance and audit of accounts.
Financial transparency and accountability in panchayats are maintained through laws enacted by the state legislature. The 1992 Act specifically empowers the state to make provisions regarding the maintenance of accounts by the panchayats and the subsequent auditing of those accounts. This ensures that the use of public funds at all tiers of the Panchayati Raj is subject to legal standards.

105. (C) P-1, Q-2, R-3, S-4
The 'haves' of the village are the land-owning class, while the 'have nots' are labourers who often migrate for work. Village identity is defined by its fixed limits and shared resources like Nistar land. Inter-jati ties are traditionally characterized by the exchange of specialized occupational services, forming a complex web of social and economic interdependence within traditional rural society.

106. (B) Studying PRIs, analyzing planning problems, and disseminating information reports.
A core function of the National Institute of Rural Development and Panchayati Raj (NIRD & PR) involves the systematic study of Panchayati Raj Institutions. The institute analyzes various planning problems and disseminates information through reports and seminars. By acting as a research and training hub, it provides the necessary intellectual support to improve the implementation of rural development programs.

107. (A) DRDA (District Rural Development Agency)
During the 1980s, the District Rural Development Agency (DRDA) was the primary body responsible for managing and implementing various anti-poverty programs at the district level. These agencies were established to ensure focused attention on rural development and the delivery of schemes like the Integrated Rural Development Programme. They played a critical role in district-level administration before the 1992 amendment.

108. (A) P-3, Q-1, R-2, S-4
Presidents of panchayat samitis provide an organic link among the three tiers. Local MPs and MLAs link the Zila Parishad to state and central policy-making. Members representing women and SC/ST are co-opted to ensure representation. Representatives of co-operative societies represent other organized stakeholders in the district. Together, these components ensure that the Zila Parishad functions as an integrated body.

109. (D) Mission Antyodaya
Mission Antyodaya is the government initiative specifically designed to target households and Gram Panchayats with the goal of achieving poverty-free status. By focusing on a set number of vulnerable families and specific panchayats, the program aims to converge various development schemes to provide intensive support. This approach ensures that resources are directed where they are most needed for local stability.

110. (C) Monetary policy formulation
The Eleventh Schedule of the Constitution lists twenty-nine subjects under the jurisdiction of panchayats, including community assets, education, roads, and water supply. However, monetary policy formulation is not included; it is

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a macro-economic function handled exclusively by the central government and the Reserve Bank of India. Panchayats focus on local developmental and social issues rather than national financial regulation.

111. (D) The rigidification of the Jajmani system preventing any economic mobility.
Factors such as expanded infrastructure, the presence of government officials, and the influence of digital media have significantly changed rural power dynamics and reduced the traditional panchayats' role. Democratic processes and political movements have also contributed. Conversely, the Jajmani system has generally weakened, and its rigidification is not a factor that explains the modern decline of traditional village authorities.

112. (B) Included with or without voting rights depending on specific state provisions.
The membership of a local MLA in the Panchayat Samiti is determined by specific state legislation. Depending on the laws of the state, an MLA whose constituency includes the block area may be included as a member of the Samiti. Their participation may come with or without the right to vote in the proceedings, reflecting the state's approach to integration.

113. (C) It can impose penalties on any person who has disobeyed a general order passed by it.
The Zila Parishad possesses specific disciplinary powers to ensure compliance with its administrative directives. It has the authority to impose penalties on any person residing within the district who disobeys a general order passed by the Parishad. This power is intended to support the body's role in coordinating public services and developmental activities, providing it with a legal enforcement mechanism.

114. (B) P-4, Q-1, R-2, S-3
In the three-tier system, the village level is governed by the Gram Panchayat, while the intermediate level is most often called the Panchayat Samiti or Block Level. The district level is overseen by the Zila Parishad. The Gram Sabha is the foundational body consisting of all registered voters in the village area, providing the basis for participatory democracy.

115. (D) Sustainable Development Goals (SDGs)
The principles of 'leaving no one behind' and ensuring gender equality are core components of the Sustainable Development Goals (SDGs) established by the United Nations. In India, modern rural development programs like the Rashtriya Gram Swaraj Abhiyan have specifically aligned their capacity-building and participatory planning modules with these global targets. This ensures local governance contributes to broader international efforts.

116. (D) Directly levying and collecting local tolls and fees from village markets.
Core functions of the NIRD & PR include organizing seminars, analyzing planning problems, and undertaking research on flagship programs. These activities are designed to provide intellectual and training support to the rural development sector. Directly levying and collecting local tolls and fees is an administrative and financial function of local panchayat bodies themselves, not a research or training institute.

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117. (D) P-2, Q-4, R-3, S-1
Panchayati Raj is the system of local self-government in rural India. The Gram Sabha is the name given to the village body consisting of all eligible voters. The Rashtriya Gram Swaraj Abhiyan is the government scheme for developing PRI capacities. The PESA Act 1996 is the specific law enacted to ensure self-governance for tribal populations in the Scheduled Areas.

118. (B) (I), (II), and (IV)
The Zila Parishad coordinates developmental activities and has the authority to perform all acts necessary for its entrusted functions. It also possesses the power to delegate specific responsibilities to its Chief Executive Officer by passing a resolution. Statement three is incorrect because the Zila Parishad is an executive and coordinating body with the legal power to enter into contracts.

119. (A) Convergence
Pooling resources from different programs like the RGSA and Mission Antyodaya to maximize developmental impact is the core principle of convergence. This strategy aims to bring together various government schemes, funds, and institutional efforts to address rural poverty

and infrastructure needs more effectively. By aligning different initiatives toward a common goal, convergence reduces duplication of effort and ensures efficient resource use.

120. (A) (I), (II), (III), and (IV)
The Eleventh Schedule includes a wide range of subjects such as rural housing, drinking water, electrification, and education. It also covers health, sanitation, and the public distribution system. However, foreign direct investment policies are a matter of national economic and external affairs handled exclusively by the central government. Therefore, FDI is not among the twenty-nine subjects devolved to the panchayats.

121. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The 73rd Amendment was passed in December 1992 because earlier attempts at creating Panchayati Raj bodies met with inconsistent responses from state governments. There was a clear need for constitutional support to ensure that power was actually shared with these local bodies. By providing a mandatory legal framework, the amendment aimed to establish a permanent, constitutionally recognized system of democracy.

122. (C) The Panchayati Raj body
The 73rd Amendment, passed on December 22, 1992, gave formal constitutional validity and status to Panchayati Raj bodies. Before this amendment, these institutions lacked a uniform legal mandate and were often subject to the whims of state governments. The amendment transformed them into constitutionally recognized institutions of self-government, providing them with the necessary authority, structure, and protection to lead.

123. (C) P-1, Q-2, R-3, S-4
The 73rd Amendment provides constitutional support to Panchayati Raj. Mission Antyodaya focuses on integrated plans to lift households out of poverty. The State Finance Commission reviews financial positions and recommends principles for tax distribution. The State Election Commission is responsible for the superintendence and conduct of local elections. Together, these reforms create a comprehensive framework for rural governance.

124. (A) The primary reason necessitated the integration of the Panchayati Raj system with development programs in the 1980s was the expansion of anti-poverty programs and the setting up of district agencies.
In the 1980s, the expansion of large-scale anti-poverty programs necessitated a more structured approach to rural administration. This led to the setting up of specialized district-level agencies like the DRDA to manage these initiatives. The integration of Panchayati Raj with these programs was required to ensure that local governance bodies had the mechanisms to effectively deliver services to populations.

125. (B) That rural society is changing depending on interventions and efforts made.
When traditional groups lose absolute power due to political shifts and government programs, it illustrates that rural society is a dynamic entity. It changes in response to specific interventions, political movements, and democratic efforts. This evolution shows that the social and power structures in villages are not static; rather, they are shaped by ongoing efforts to decentralize authority.

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CHAPTER 03
Economic Features

Oct/Nov 2016

1. Read the following lists and match the industry with its corresponding percentage change over the previous year for 2020–21.

List I: (Industry)

P. Agriculture, Forestry & Fishing
Q. Mining & Quarrying
R. Manufacturing
S. Construction

List II: (Percentage Change)

1. -7.2
2. -8.5
3. -8.6
4. 3.6

(A) P-4, Q-1, R-2, S-3
(B) P-3, Q-2, R-4, S-1
(C) P-2, Q-3, R-1, S-4
(D) P-4, Q-2, R-1, S-3

May/June 2013

2. How are the credit needs of farmers categorized based on the source of finance?

(A) Long-term credit and short-term credit.
(B) Secured loans and unsecured loans.
(C) Institutional (formal agencies) and non-institutional (informal agencies).
(D) Productive credit and consumption credit.

Oct/Nov 2009

3. What was the growth percentage registered by agriculture and allied activities in Gross Value Added (GVA) during the year 2020–21?

(A) 2.4%
(B) 4.3%
(C) 3.0%
(D) 3.6%

May/June 2022

4. Consider the following statements regarding the distribution of outstanding cash debt among non-institutional sources for rural households:

I Professional money lenders account for 16.5%.
II Relatives and friends account for 6.8%.
III Agricultural moneylenders account for 6.3%.
IV Landlords account for 1.1%.
V Chit funds account for 5.0%.

Which combination of statements accurately reflects the data as per the All-India Debt and Investment Survey 2019?

(A) (I), (II), (III), and (IV)
(B) (II), (III), (IV), and (V)
(C) (I), (III), (IV), and (V)
(D) (I), (II), (IV), and (V)

Oct/Nov 2011

5. Consider the following statements regarding the role of non-farm activities for agricultural households:

I Income from non-farm activities contributes between 25% and 35% of the total income of rural households.
II The RNFS is not relevant for small and marginal farmers as they focus solely on crop production.
III At times of distress, the non-farm sector serves as an important safety net for many rural households.

Which combination of statements is correct?

(A) (I) and (II)
(B) (I) and (III)
(C) (II) and (III)
(D) (I), (II), and (III)

May/June 2018

6. Why are loans from relatives considered an uncertain source for farmers despite generally carrying no or very low interest?

(A) Relatives often demand immediate repayment in the form of a portion of the upcoming crop harvest.
(B) Farmers cannot depend upon this source consistently for carrying out their crop production activities.
(C) These loans frequently require the formal transfer of cultivation rights to the lending family member.
(D) The RBI strictly monitors and places

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limits on the amount of credit that can be borrowed from relatives.

May/June 2008

7. How is the rural money market broadly characterized?
(A) Exclusively by formal credit institutions like commercial banks.
(B) By a combination of both formal credit institutions and informal sources.
(C) Entirely by informal sources such as moneylenders and relatives.
(D) By microfinance institutions and non-banking financial companies only.

Oct/Nov 2005

8. What was the primary reason for the deceleration of the GDP growth rate to 4.2% in 2019–20 before the impact of the Covid-19 pandemic?
(A) A sharp contraction in the agricultural sector's contribution to total gross value added.
(B) Slow growth in industry and services due to weak demand and stress in the non-banking sector.
(C) A massive increase in the fiscal deficit caused by significant external sector financial shocks.
(D) The immediate and widespread implementation of the Goods and Services Tax across all sectors.

May/June 2014

9. A researcher analyzing the All-India Debt and Investment Survey notes that while institutional credit accounted for 66% of outstanding credit in rural areas in 2018, the dependence on non-institutional sources remains significant in some states. If comparing this with historical data, what was the approximate availability of institutional credit to rural households in 1971?
(A) 13%
(B) 29%
(C) 42%
(D) 55%

Oct/Nov 2023

10. Based on the crop production data for 2020–21 (2nd Advance Estimates), which of the following statements is incorrect?
(A) Rice production stood at 1203.2 lakh tons.
(B) Wheat production was 1092.4 lakh tons.
(C) Coarse Cereals production was lower than Pulses production.
(D) Total Food grains production exceeded 3000 lakh tons.

Oct/Nov 2010

11. As per the All-India Debt and Investment Survey 2019, what was the incidence of indebtedness (IOI) for all rural households?
(A) 22.4%
(B) 27.5%
(C) 40.3%
(D) 35.0%

May/June 2017

12. Based on the Provisional Estimates of GVA at Basic Prices for 2020–21, all the following industries registered a negative percentage change over the previous year EXCEPT:
(A) Mining & Quarrying of minerals and metals
(B) Manufacturing of various industrial goods
(C) Electricity, gas, water supply and other utility services
(D) Construction of buildings and infrastructure projects

May/June 2023

13. According to the 2011 Census, what percentage of the workforce is provided employment by the agriculture sector?
(A) 55%
(B) 60%
(C) 65%
(D) 70%

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Oct/Nov 2021

14. Which sector creates 60% of the jobs within the Rural Non-Farm Sector (RNFS)?
(A) Manufacturing
(B) Construction
(C) Services
(D) Mining

May/June 2005

15. Which of the following is an undesirable feature associated with borrowing from traders and commission agents?
(A) They require the farmer to pledge gold jewellery and land titles to secure the credit provided.
(B) They offer interest-free loans but demand a permanent share of the underlying land ownership.

(C) They provide financial assistance exclusively for the acquisition of high-tech agricultural machinery.
(D) They require farmers to sell produce to them at prices significantly lower than the market rate.

May/June 2024

16. Which of the following forms the primary basis of the economic life of people living in rural areas?
(A) Agriculture and allied activities
(B) Large-scale manufacturing industries
(C) Information technology services
(D) Export-oriented trade activities

Oct/Nov 2017

17. Based on the percentage distribution of outstanding cash debt as on 30 June 2018, which statement is incorrect?
(A) Employers provide a significant 10.0% share of outstanding debt to rural non-cultivators.
(B) The percentage share of all institutional agencies for rural cultivators is 67.0%.
(C) The percentage share of all non-institutional agencies for urban self-employed is 13.7%.
(D) Scheduled commercial banks hold a higher share of debt among urban self-employed (67.6%) compared to rural cultivators (42.6%).

May/June 2011

18. Consider the following statements regarding agricultural production during 2020–21:
I The total food-grain production was a record 3033.4 lakh tons, which was 2.0% higher than the previous year.
II The record production in horticulture crops at 3266 lakh tons was led by an increase in area under cultivation by 2.7%.
Which of the above statements is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2009

19. Consider the following statements regarding the institutional credit structure in rural areas:
I It consists mainly of Commercial Banks, Regional Rural Banks, and Cooperatives.
II Bank branches across the country at end-March 2019 were around 142,300.
III 65% of the bank branches as of March 2019 were in rural and semi-urban areas.
IV Small Finance Banks have ceased operations in rural areas recently.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III)
(B) (II), (III), and (IV)
(C) (I), (III), and (IV)
(D) (I), (II), and (IV)

Oct/Nov 2025

20. Identify the correct pair of a major reform and its corresponding abbreviation that has aided the Indian economy's growth trajectory.
(A) Foreign Direct Investment – FDI
(B) Insolvency and Bankruptcy Code – IAB
(C) Current Account Deficit – CUD
(D) Goods and Services Tax – GTS

Oct/Nov 2018

21. Read the following Assertion (A) and Reason (R) and choose the correct option:
Assertion (A): The main problem with non-institutional credit is the high cost of credit and uncertainty of securing the loan when needed.
Reason (R): Non-institutional credit providers like moneylenders and traders often exploit borrowers through exorbitant interest rates and unfavorable conditions such as demanding produce at lower prices.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2015

22. How does Gross Value Added (GVA) function as an economic metric?
(A) It measures the absolute purchasing power of a country's currency.
(B) It acts as a productivity matrix measuring a sector's contribution to the economy.
(C) It records the value of exports and imports of goods and services.
(D) It calculates the total value of goods and services adjusted for inflation.

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May/June 2025

23. What does the Rural Non-Farm Sector (RNFS) encompass?

(A) Large-scale manufacturing and industrial units located primarily outside major city limits.

(B) Household enterprises operated by marginal farmers to support their agricultural income.

(C) Primary allied activities including dairy farming, poultry management, and large-scale fisheries.

(D) Non-agricultural activities like mining, services, and processing in towns up to 50,000 people.

Oct/Nov 2015

24. Read the following lists and match the category of sources with their percentage share of outstanding cash debt for rural cultivators as of 2018.

List I: (Source Category)

P. Scheduled commercial banks

Q. Regional Rural Banks

R. Cooperative bank

S. Bank linked SHG/JLG

List II: (Percentage Share)

1. 2.6
2. 5.1
3. 7.2
4. 42.6

(A) P-3, Q-4, R-1, S-2

(B) P-4, Q-2, R-3, S-1

(C) P-2, Q-3, R-4, S-1

(D) P-4, Q-3, R-2, S-1

May/June 2021

25. The government announces a new industrial policy to boost exports and domestic manufacturing. The finance minister cites the need to reach a specific economic milestone by 2024–25, recovering from the pandemic-induced contraction where the global economy shrank by 3.5% to 4.3% in 2020.

Based on the economic roadmap, what is the ultimate target size of the Indian economy by 2024–25 that this policy aims to achieve?

(A) US $ 2.9 trillion

(B) US $ 5 trillion

(C) US $ 4.0 trillion

(D) US $ 10 trillion

May/June 2007

26. Which statement accurately reflects the change in the share of agriculture in the overall Gross Value Added (GVA) from 2019–20 to 2020–21?

(A) The share of agriculture in overall GVA decreased from 16.3% to 14.8%.

(B) The share of agriculture remained constant at 17.8%.

(C) The share of agriculture in overall GVA increased by 5.0 percentage points.

(D) The share of agriculture in overall GVA increased from 17.8% to 19.9%.

Oct/Nov 2012

27. Despite the spread of modern banking, what is the primary reason moneylenders continue to be important credit providers in villages?

(A) They provide borrower-friendly operations, constant availability, and strong interpersonal relationships.

(B) They offer agricultural loans at interest rates significantly lower than those of commercial banks.

(C) They are legally mandated by rural development boards to fulfill the credit needs of farmers.

(D) They offer credit without requiring any form of physical security or collateral from the borrower.

Oct/Nov 2007

28. A state agricultural board observes that farmers in a specific district are increasingly converting their food-grain fields to cultivate mangoes and oranges. To support this transition, the board reviews national trends from 2020–21.

What primary factor from the national data would validate the board's decision to subsidize horticulture expansion?

(A) Horticulture production reached 3266 lakh tons, exceeding food grains for the ninth year.

(B) Food grain production remained substantially higher than horticulture output during the specified period.

(C) The total area under cultivation for food grains grew by 2.7% to strengthen food security.

(D) Horticulture crops required significantly fewer inputs from various non-farm sectors in rural areas.

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Oct/Nov 2006

29. All the following are considered formal credit institutions serving rural areas EXCEPT:
(A) Regional Rural Banks
(B) Cooperative Societies
(C) Commission Agents
(D) Small Finance Banks

Oct/Nov 2014

30. Read the following Assertion (A) and Reason (R) and choose the correct option:
Assertion (A): There is an extensive link between the agricultural and non-farm sectors in rural areas.
Reason (R): Growth in agriculture provides raw materials for processing in RNFS, and increased farm incomes create greater demand for RNFS products and services.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2006

31. To overcome the failure of commercial banks to meet their targets for agricultural lending, what specific recommendation did the Prof Radhakrishna expert group make regarding unutilized funds?
(A) Return the unutilized portion to the RBI to assist in the reduction of the national fiscal deficit.
(B) Distribute the unutilized portion directly to registered farmers as cash subsidies for input costs.
(C) Transfer the funds to NABARD or the government via non-transferable bonds for agricultural programs.
(D) Invest the unutilized portion in the domestic equity markets to generate higher returns for rural banks.

May/June 2019

32. Arrange the following groups/committees associated with poverty estimation in India in correct chronological order of their constitution/report:
I Suresh Tendulkar Committee
II Dr. YK Alagh Task Force
III M Dandekar and N Rath
IV Dr. C Rangarajan Committee
(A) (III), (II), (I), (IV)
(B) (II), (III), (I), (IV)
(C) (III), (I), (II), (IV)
(D) (II), (I), (III), (IV)

May/June 2012

33. Consider the following statements regarding the indebtedness of rural households to credit agencies:
I About 10.2% of the households were indebted to non-institutional credit agencies only in Rural India.
II 17.8% of households were indebted to institutional credit agencies only in Rural India.
Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2019

34. The Tendulkar committee made several key recommendations for estimating poverty. Which of the following is NOT one of those recommendations?
(A) Shifting from a Calorie Consumption based Poverty Estimation.
(B) Computing new poverty lines based on a uniform poverty line basket for rural and urban areas.
(C) Incorporating private expenditure on health and education.
(D) Using a Uniform Reference Period based estimates instead of the Mixed Reference Period.

May/June 2010

35. How does the definition of poverty provided by the Centre for Monitoring Indian Economy (CMIE) approach the concept?
(A) As a household's inability to meet its current consumption expenses with its available income.
(B) By defining a strict minimum consumption basket consisting of specific goods and services.
(C) By calculating the daily calorie intake of all individual household members on a regular

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basis.

(D) By evaluating the household's overall level of access to institutional credit from banks.

May/June 2020

36. Consider the following statements regarding the approaches of the Tendulkar Group and the Rangarajan Group:

I The Tendulkar Group used the all-India urban poverty line basket as the reference to derive state-level rural and urban poverty.

II The Rangarajan Group reverted to the practice of having separate all-India rural and urban poverty basket lines.

Which of the above statement(s) is/are correct?

(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2020

37. According to the data on rural and urban indebtedness:

(A) The average debt per indebted household (AODL) for rural cultivators is ₹1,44,143.
(B) The average amount of debt (AOD) for all rural cultivators is estimated at exactly ₹74,460.
(C) The specific incidence of indebtedness for the urban self-employed population is ₹27.5%.
(D) The average amount of debt (AOD) for all urban households is currently recorded as ₹1,20,336.

Oct/Nov 2024

38. Why is a high population growth rate considered one of the major reasons for poverty in India?

(A) It automatically increases the Gross Domestic Product, thereby causing high rates of inflation.
(B) It leads to an oversupply of formal credit, which causes long-term debt traps for families.
(C) It triggers an immediate shift of the workforce from agriculture to the manufacturing sector.
(D) It lowers per capita income and creates job shortages that result in widespread unemployment.

Oct/Nov 2013

39. A researcher analyzing the historical poverty data notices that in the 1990s, the rural poverty line was updated differently from the urban poverty line. Based on the DT Lakdawala Task Force recommendations, which specific indices were used to update the poverty lines for urban and rural areas respectively?

(A) WPI for urban areas and CPI for rural areas.
(B) GDP Deflator for urban areas and Fisher Index for rural areas.
(C) CPI-AL for urban areas and CPI-IW for rural areas.
(D) CPI-IW for urban areas and CPI-AL for rural areas.

Oct/Nov 2008

40. A state government wishes to rescue farmers who have been paying exorbitant interest rates to local moneylenders. Following the immediate remedial measures recommended by the Prof Radhakrishna expert group, the state proposes a one-time relief to these farmers by providing long-term loans through banks.

According to the recommendations, what is the required corpus for the 'Money Lenders Debt Redemption Fund'?

(A) ₹50 crore
(B) ₹100 crore
(C) ₹500 crore
(D) ₹1000 crore

May/June 2016

41. Read the following Assertion (A) and Reason (R) and choose the correct option:

Assertion (A): The Rangarajan Expert Group preferred NSSO's estimates over National Accounts Statistics (NAS) estimates for consumption expenditure.

Reason (R): Estimates of consumption expenditure in NAS and inferred from NSSO surveys showed a large and growing variance.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

NODIA

May/June 2014

42. How did the expert group headed by Prof Radhakrishna analyze the phenomenon of farmer suicides in the context of rising agricultural indebtedness?
(A) It identified farmer suicides as the fundamental root cause of the institutional vacuum in rural credit.
(B) It stated that excessive borrowing by households directly caused the crisis without any structural issues.
(C) It viewed rural indebtedness as a tragic symptom and manifestation of an underlying agrarian crisis.
(D) It blamed commercial banks for over-lending to farmers, which ultimately led to a systemic debt trap.

Oct/Nov 2022

43. Read the following Assertion (A) and Reason (R) and choose the correct option:
Assertion (A): The eradication of poverty assumes tremendous importance and urgency in India.
Reason (R): Even after more than seven decades of independence, several measures taken were inadequate, and more than 200 million people are still poor.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2005

44. What fundamentally describes the state of poverty?
(A) A specific condition where an individual lacks access to secondary education and formal banking.
(B) A situation where rural households are entirely dependent on non-institutional credit for survival.
(C) A continuous and significant decline in the Gross Value Added by the national agricultural sector.
(D) A condition where a person or community lacks the resources and essentials for a minimum standard of living.

May/June 2005

45. In 2012, a new committee was set up to review empirical poverty estimation methods.
If the committee headed by Dr. Rangarajan needed an alternative to traditional consumption surveys, which independent large survey of households did they utilize that considered a household poor if it was unable to save?
(A) National Family Health Survey (NFHS)
(B) All-India Debt and Investment Survey
(C) Center for Monitoring Indian Economy (CMIE) survey
(D) Labour Bureau's Household Survey

May/June 2006

46. An economist is comparing the debt burden between a typical indebted rural family and an indebted urban family. Looking at survey data, she observes that the Average Amount of Debt per Indebated Household (AODL) for urban households is substantially higher than for rural households.
What are the specific AODL values for all rural and all urban indebted households, respectively, that support her observation?
(A) ₹59,748 and ₹1,20,336
(B) ₹1,70,533 and ₹5,36,861
(C) ₹74,460 and ₹1,79,765
(D) ₹1,84,903 and ₹6,52,768

Oct/Nov 2011

47. What does Purchasing Power Parity (PPP) refer to in the context of economic findings regarding poverty?
(A) A strict limit on the maximum borrowing capacity of an individual from international banking institutions.
(B) A method used to calculate the money needed to buy the same goods and services in two different countries.
(C) The ratio of a country's exports to its imports measured in the local currency of the specific nation.
(D) The mandatory daily wage rate fixed by the central government for all rural and urban workers.

Oct/Nov 2015

48. Read the following Assertion (A) and Reason (R) and choose the correct option:
Assertion (A): The expert group recommended that a positive repayment culture should be

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actively promoted by designing a rational scheme of incentives.
Reason (R): The cost of rural banking was high and the performance of credit cooperatives and regional rural banks was poor in meeting the farm lending targets.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2012

49. Read the following lists and match the expert group/committee with their key feature or recommendation.
List I: (Committee)
P. M Dandekar and N Rath
Q. Dr YK Alagh
R. DT Lakdawala
S. Suresh Tendulkar
List II: (Key Feature/Recommendation)
1. Constructed poverty line based on nutritional requirements and adjusted for inflation (1979).
2. Suggested using CPI-IW in urban areas and CPI-AL in rural areas for updating poverty lines.
3. Shifted from Calorie Consumption based to a broader consumption basket including health and education.
4. Derived poverty line from expenditure adequate to provide 2250 calories per day.
(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-4, R-3, S-2
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-3, R-4, S-1

May/June 2007

50. Consider the following components involved in determining the poverty line:
I The food component.
II The normative level of expenditure for essential non-food items like education, clothing, and house rent.
III The behaviourally determined expenditure for other non-food items.
Which combination represents the correct components?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

May/June 2015

51. How did the Rangarajan Group address the anchoring of the poverty line to calorie norms?
(A) It permanently discarded calorie norms, continuing the approach established by the Tendulkar Group.
(B) It anchored the poverty line to the 1979 calorie norms without making any significant changes.
(C) It based the food component of the basket solely on the consumption of major cereals and pulses.
(D) It referenced the simultaneous satisfaction of three nutrient norms: calories, proteins, and fats.

May/June 2017

52. According to the Prof Radhakrishna expert group, which of the following were identified as root causes of the agrarian crisis?
I Stagnation and increasing risks in production and marketing.
II Collapse of the existing system and a growing institutional vacuum.
III An overabundance of alternative livelihood opportunities.
Which combination is correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

NODIA

May/June 2008

53. Consider the following observations made by the Committee on Medium-term Path on Financial Inclusion (CMPFI) set up by RBI:
I Farmers with small land holdings depend heavily on middlemen for selling produce, reducing their income.
II More than half of the rural households are marginal farmers owning less than one hectare of land.
III The indebtedness of these farmers is directly proportional to their land holdings.
IV Enlarging the scope of loans under the SHG/JLG mode would help small holders resort to formal credit agencies.

Which combination of statements is correct?
(A) (I), (II), and (III)
(B) (I), (II), and (IV)
(C) (II), (III), and (IV)
(D) (I), (III), and (IV)

Oct/Nov 2010

54. The Suresh Tendulkar Expert Group was constituted to address which of the following shortcomings of previous poverty estimation methods?
I Consumption patterns were linked to the obsolete 1973–74 poverty line baskets.
II Issues with the adjustment of prices for inflation, both spatially and temporally.
III Earlier poverty lines assumed health and education would be provided by the state.
IV Over-reliance on the Mixed Reference Period data.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III)
(B) (I), (III), and (IV)
(C) (II), (III), and (IV)
(D) (I), (II), and (IV)

Oct/Nov 2014

55. Which statement accurately describes the situation of unskilled workers in the unorganized sector?
(A) They must work for lower wages because the number of job seekers exceeds the available positions.
(B) They are paid high wages due to the extreme scarcity of labor in the current economic market.
(C) Business owners prioritize worker living conditions over cost-cutting measures and profit margins.
(D) They are fully protected by social security schemes that guarantee a minimum consumption basket.

May/June 2024

56. Which statement accurately describes the share of outstanding cash debt from institutional versus non-institutional sources in Rural India?
(A) Institutional credit agencies account for 66%, while non-institutional credit agencies account for 34%.
(B) Institutional credit agencies account for 34%, while non-institutional credit agencies account for 66%.
(C) Institutional credit agencies account for 87%, while non-institutional credit agencies account for 13%.
(D) Both institutional and non-institutional credit agencies equally share 50% of the outstanding cash debt.

May/June 2009

57. How did the Tendulkar Committee differentiate between rural and urban areas when establishing the all India poverty line for 2004–05?
(A) It set the per capita expenditure lower in rural areas (₹446.68) than urban areas (₹578.80) with a uniform basket.
(B) It used separate poverty line baskets for rural and urban areas, resulting in higher thresholds for rural areas.
(C) It standardized the poverty line at ₹33 per day globally using PPP for both rural and urban areas.
(D) It excluded all health and education expenditures when calculating the final rural poverty line estimates.

Oct/Nov 2017

58. The summary of immediate remedial measures recommended by the expert group includes all of the following EXCEPT:
(A) Complete waiver of all principal amounts owed to institutional credit agencies by marginal farmers.
(B) Better monitoring and implementation of the existing package of relief measures covering 31 distress-affected districts.
(C) Rescheduling of loans and waiver of interest burden up to two years for farmers affected by natural calamities.
(D) Grant of fresh loans to farmers affected by natural calamities with equal sharing of burden by the Centre and the States.

NODIA

May/June 2023

59. Regarding the systematic assessment of poverty by M Dandekar and N Rath (1971), which statement is incorrect?
(A) It was based on National Sample Survey (NSS) data.
(B) They derived the poverty line from the expenditure adequate to provide 2250 calories per day.
(C) They considered subsistence living or basic minimum needs criteria as the measure of

the poverty line.
(D) The group concluded that 40% of rural residents and 50% of urban residents were below the poverty line in 1960–61.

Oct/Nov 2006

60. Identify the incorrect pairing regarding the concepts of poverty measurement.
(A) Incidence of poverty – Poverty ratio
(B) NSSO data – Exhaustive census of every individual's income
(C) Head-count ratio – Ratio of number of poor to the total population expressed as percentage
(D) Exogenously determined poverty line – Quantified in terms of per capita consumption expenditure over a month

May/June 2010

61. The Rangarajan Group utilized specific data sets to update the poverty line and estimate poverty ratios. Which of the following was NOT used or recommended by the Rangarajan Group for these calculations?
(A) Modified Mixed Recall Period (MMRP) consumption expenditure data of the NSSO.
(B) Implicit prices derived from the quantity and value of consumption observed in the NSSO's 68th Round.
(C) Uniform Reference Period (URP) exclusively for urban poverty estimation.
(D) Fisher Index for updating the poverty line in the future.

Oct/Nov 2008

62. Which of the following is highlighted as the ambient goal of the SDG agenda?
(A) Combating inequalities, promoting gender equality and the empowerment of women and girls.
(B) Eradicating all forms of formal credit institutions.
(C) Subsidizing agricultural exports for all developing countries.
(D) Replacing Gross Domestic Product with Gross Value Added as the primary economic indicator globally.

Oct/Nov 2021

63. Read the following lists and match the nutrient requirement with its corresponding value per capita per day according to the Rangarajan Group.
List I: (Requirement Type)
P. Protein requirement (Rural)
Q. Protein requirement (Urban)
R. Fat requirement (Rural)
S. Fat requirement (Urban)
List II: (Value per Capita)
1. 26 grams
2. 28 grams
3. 48 grams
4. 50 grams
(A) P-3, Q-4, R-2, S-1
(B) P-4, Q-3, R-1, S-2
(C) P-3, Q-2, R-4, S-1
(D) P-2, Q-1, R-3, S-4

Oct/Nov 2007

64. Read the following lists and match the economic aspect with its corresponding categorization or example in the Indian context.
List I: (Economic Aspect)
P. Downside risk to growth
Q. Major reform
R. Positive macroeconomic indicator
S. Sector showing continued resilience in 2019–20
List II: (Categorization/Example)
1. Low inflation
2. Inflation and fiscal deficit
3. Agriculture and allied activities
4. Insolvency and Bankruptcy Code (IBC)
(A) P-4, Q-2, R-3, S-1
(B) P-1, Q-3, R-2, S-4
(C) P-2, Q-4, R-1, S-3
(D) P-3, Q-1, R-4, S-2

May/June 2025

65. Comparing the number of poor in 2011–12 as stated by the Tendulkar and Rangarajan committees, which statement is incorrect?
(A) The Tendulkar Group estimated the total number of poor at 354.7 million.
(B) The Rangarajan Group estimated 260.5 million poor in rural areas.
(C) The Tendulkar Group estimated 216.7 million poor in rural areas.
(D) The Rangarajan Group estimated the total number of poor at 363.0 million.

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May/June 2011

66. Consider the following statements regarding crop production data (in lakh tons) for 2019–20 and 2020–21:

I Wheat production increased from 1078.6 to 1092.4.

II Pulses production increased from 230.3 to 244.2.

III Sugar cane production increased from 3705 to 3976.6.

IV Oilseeds production decreased from 373.1 to 332.2.

V Cotton production decreased from 365.4 to 360.7.

Which of the above statement(s) is/are correct?

(A) (I), (II), and (III)
(B) (I), (III), and (IV)
(C) (II), (IV), and (V)
(D) (I), (II), and (V)

Oct/Nov 2009

67. Why did the Rangarajan Group note that the poverty line derived from the NSSO's Consumer Expenditure Surveys is lower than the services actually consumed?

(A) Rural households tend to over-report their income to surveyors during the data collection process.
(B) The surveys are designed to measure urban consumption patterns rather than rural living standards.
(C) Public expenditure on social services has increased but is not captured by the design of these surveys.
(D) The prices used to calculate the poverty line are adjusted for deflation rather than current inflation.

Oct/Nov 2018

68. According to World Bank data from 2014, after adjusting to Indian currency using the PPP conversion factor, what is the equivalent US dollar value per day for the national poverty line for 2011–12?

(A) $1.25
(B) $1.94
(C) $1.90
(D) $2.00

May/June 2021

69. Consider the following definitions of economic indicators:

I Gross National Product (GNP) is GDP plus net income from abroad.

II Gross Domestic Product (GDP) is the total value of goods and services produced within an economy in a year.

III Gross Value Added (GVA) measures the value of goods and services produced in an area, industry or sector.

IV Purchasing Power Parity (PPP) uses specific goods' prices to compare absolute purchasing power of currencies.

Which of the above statement(s) is/are correct?

(A) (I), (II), and (III)
(B) (II), (III), and (IV)
(C) (I), (III), and (IV)
(D) (I), (II), and (III) and (IV)

May/June 2018

70. Identify the correct pair matching the region with its estimated poverty ratio for 2011–12 according to the Rangarajan Group.

(A) Rural India – 35.1%
(B) All-India – 39.6%
(C) Urban India – 26.4%
(D) Rural India – 29.5%

May/June 2012

71. Read the following Assertion (A) and Reason (R) and choose the correct option:

Assertion (A): Most non-farm activities are pursued in the tiny enterprises segment, producing low-quality products and services.

Reason (R): Many of these tiny units use mostly manual technology rather than sophisticated technologies.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2019

72. Regarding the non-food expenses in the Rangarajan poverty line basket, consider the following statements:

I The median fractile (45-50%) values are treated as normative requirements.

II Basic non-food expenses include clothing, housing, mobility, and education.

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III This basic non-food expense works out to ₹141 per capita per month in rural areas.
IV This basic non-food expense works out to ₹407 in urban areas.
V The observed expenses of all other non-food expenses are completely ignored.

Which of the above statement(s) is/are correct?
(A) (I), (II), (III), and (IV)
(B) (I), (II), (IV), and (V)
(C) (II), (III), (IV), and (V)
(D) (I), (III), (IV), and (V)

May/June 2019

73. Consider the following statements about the Sustainable Development Goals (SDGs):
I The SDGs announced in September 2015 comprise a set of 17 goals and 169 targets.
II The SDGs are effective from January 2016 and will end in 2030.

Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2023

74. Which of the following statements characterize the World Bank's approach to poverty estimation?
I It uses a poverty line of US $1.25 per person per day measured at 2005 international price, adjusted to local currency using PPP.
II It estimates poverty based on state-specific and region-specific poverty lines for rural and urban areas.
III It does not allow for cost-of-living differentials within countries and does not distinguish between transient and chronic poverty.

Which of the above statement(s) is/are correct?
(A) (I) and (II)
(B) (I) and (III)
(C) (II) and (III)
(D) (I), (II), and (III)

Oct/Nov 2025

75. Historical data shows a GDP deceleration to 4.2% in 2019–20, while the agriculture sector showed a 4.0% growth.
Which specific factors contributed to the sluggish growth rate in the industry and service sectors during that fiscal year?
(A) High levels of agricultural exports which led to significant domestic shortages of essential goods.
(B) Over-capitalization of Small Finance Banks and Regional Rural Banks operating in rural districts.
(C) The immediate and total withdrawal of all packages under the Atma Nirbhar Bharat Mission.
(D) Slow domestic demand, stress in the non-banking financial sector, and a decline in credit growth.

Oct/Nov 2016

76. What was the normative level of energy requirement calculated by the Rangarajan Expert Group for rural and urban areas, respectively?
(A) 2250 kcal and 2100 kcal per person per day.
(B) 2400 kcal and 2100 kcal per person per day.
(C) 2000 kcal and 1950 kcal per person per day.
(D) 2155 kcal and 2090 kcal per person per day.

Oct/Nov 2020

77. Read the following Assertion (A) and Reason (R) and choose the correct option:
Assertion (A): The Indian economy continues to be resilient and is the fastest growing major economy in the world.
Reason (R): Major reforms like GST, IBC, monetary policy targeting inflation, and FDI liberalization have provided a strong backing to its growth trajectory.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2020

78. Why did the Rangarajan Expert Group use the Modified Mixed Recall Period (MMRP) consumption expenditure data?
(A) It relies entirely on a 365-day recall period for all food items consumed by the household.
(B) It systematically excludes private expenditure on health and education from the final calculations.
(C) It restricts data collection to urban areas only

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to simplify the overall poverty estimation process.
(D) It is more precise than the Mixed Recall Period and the Uniform Reference Period used in earlier years.

Oct/Nov 2024

79. What does the Current Account Deficit (CAD) of a country record?
(A) It measures the total value of all goods and services produced within a national economy in one year.
(B) It records the value of exports and imports of goods, services, and international transfers of capital.
(C) It compares absolute purchasing power by measuring the prices of specific goods in different countries.
(D) It calculates the total gross value added minus the net income received from foreign countries.

May/June 2022

80. According to recent estimates, the global poverty line was revised from $1.25 to $1.90 per day. What is the primary economic reason for this adjustment?
(A) To harmonize the poverty line with the minimum wage laws currently existing in developed nations.
(B) To account for the introduction and implementation of the United Nations Sustainable Development Goals.
(C) To offset the depreciation of the Indian Rupee against the US Dollar in the international market.
(D) To reflect cost of living differences across countries based on 2011 prices adjusted for inflation.

May/June 2005

81. Why is the Rural Non-Farm Sector (RNFS) considered an effectual strategy for rural India?
(A) It aims to shift the entire rural population from villages into large urban industrial centers.
(B) It replaces the need for institutional credit by generating excessive amounts of foreign exchange.
(C) It provides supplementary employment to farm households, reduces inequality, and stems migration.
(D) It limits all economic activities strictly to large-scale modern factory production and processing.

Oct/Nov 2022

82. A rural family of five is being assessed to determine if they fall below the poverty line as defined by the Rangarajan Expert Group for 2011–12.
If the poverty line translates to a specific monthly per capita consumption expenditure, what must be the family's total monthly consumption expenditure to be exactly at the poverty line?
(A) ₹4,860
(B) ₹972
(C) ₹1,407
(D) ₹7,035

Oct/Nov 2013

83. Read the following lists and match the specific poverty reduction metric between 2009–10 and 2011–12 with its corresponding percentage points.
List I: (Reduction Metric)
P. Rangarajan Group Total Reduction
Q. Tendulkar Group Rural Reduction
R. Tendulkar Group Urban Reduction
S. Tendulkar Group Total Reduction
List II: (Percentage Points)
1. 7.2
2. 7.9
3. 8.1
4. 8.7
(A) P-1, Q-4, R-2, S-3
(B) P-3, Q-1, R-4, S-2
(C) P-4, Q-2, R-3, S-1
(D) P-4, Q-3, R-1, S-2

Oct/Nov 2005

84. Ten rural women decide to pool their small savings every month to provide small loans to members of their group for personal or business needs. What is this type of group classified as?
(A) Non-Banking Financial Company (NBFC)
(B) Regional Rural Bank (RRB)
(C) Self-help Group (SHG)
(D) Primary Agricultural Credit Society (PACS)

May/June 2014

85. What was the core operational difference between the Millennium Development Goals

NODIA

(MDGs) and the Sustainable Development Goals (SDGs) regarding their formulation?
(A) The MDGs were nationally-owned, whereas SDGs are imposed strictly by international financial bodies.
(B) The MDGs integrated all economic dimensions, while SDGs focus solely on poverty and related issues.
(C) SDGs were adopted after a large consultation exercise to cover much broader sustainability issues.
(D) The SDGs are effective only for developing nations, unlike MDGs which applied universally to all.

May/June 2013

86. According to the methodology of the Rangarajan Group regarding the food basket, which of the following is correct?
(A) The nutrient norms are met for persons located in the sixth fractile (25-30%) in rural areas.
(B) The average monthly per capita consumption expenditure on food is ₹856 in urban areas.
(C) The nutrient norms are met for persons located in the fourth fractile (15-20%) in urban areas.
(D) The average monthly per capita consumption expenditure on food in these fractile classes is ₹554 in rural areas.

Oct/Nov 2011

87. According to the summary of the banking structure for institutional credit in rural areas, which statement is incorrect?
(A) Commercial Banks have become highly rural-oriented since their nationalization in 1969.
(B) Commercial banks have an ATM network of exactly 4.35 lakh across the country.
(C) India's co-operative banking sector has 98,545 institutions as on March 2019.
(D) 65% of bank branches at end-March 2019 were in rural and semi-urban areas.

May/June 2006

88. An NGO report on poverty alleviation from 2009–10 to 2011–12 notes that the absolute level of the poverty ratio differs between methodologies.
Based on the data, if the author quotes the All-India poverty ratio for 2011–12 according to the Tendulkar Committee, what figure should they use?
(A) 29.5%
(B) 21.9%
(C) 25.7%
(D) 30.9%

May/June 2008

89. The current account is one of the three components of a country's balance of payments. The other two components include all of the following EXCEPT:
(A) The capital account
(B) The domestic savings account
(C) The financial account
(D) None of the above, as A and B are the only other components.

Oct/Nov 2018

90. Read the following Assertion (A) and Reason (R) and choose the correct option:
Assertion (A): The Planning Commission methodology captures regional prices more precisely than the World Bank's poverty estimation methodology.
Reason (R): The Planning Commission methodology uses state-specific and region-specific (rural and urban) poverty lines, whereas the World Bank uses a single international poverty line for all member countries.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2009

91. Read the following lists and match the non-institutional credit source with its percentage share of outstanding cash debt for all rural households.
List I: (Credit Source)
P. Professional money lenders
Q. Relatives and friends
R. Agricultural moneylenders
S. Landlords
List II: (Percentage Share)
1. 1.1
2. 6.3

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3. 6.8
4. 16.5

(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-4, Q-2, R-3, S-1
(D) P-2, Q-3, R-4, S-1

May/June 2012

92. Comparing the poverty ratios derived from the Rangarajan and Tendulkar methods, what observation is made regarding the gap between their absolute poverty ratios over time?
(A) The gap between the absolute poverty ratios remained constant at 8.4 percentage points.
(B) The Rangarajan method consistently yielded a lower absolute poverty ratio than the Tendulkar method.
(C) The gap decreased from 8.4 percentage points in 2009–10 to 7.6 points in 2011–12.
(D) The Rangarajan method showed no reduction in poverty, while the Tendulkar method showed a significant drop.

May/June 2016

93. Borrowing from landlords and others by small and tenant farmers has several undesirable features. Which of the following is NOT typically one of these features?
(A) Interest rates are very high.
(B) The borrower may lose his land due to inability to repay.
(C) It provides a highly secure and regulated legal framework for the borrower.
(D) It shares the undesirable features of borrowing from moneylenders and traders.

May/June 2007

94. Identify the incorrect pairing regarding global development frameworks.
(A) MDGs – Replaced by SDGs in September 2015
(B) SDGs – Set of 17 goals and 169 targets
(C) SDGs effective date – January 2030
(D) Open Working Group – Proposed SDGs in June 2012

Oct/Nov 2010

95. To find a state-level poverty ratio according to the Rangarajan methodology, how must a researcher aggregate the rural and urban poverty ratios calculated from state-level data?
(A) By taking a simple arithmetic mean of the rural and urban ratios.
(B) By computing a weighted average of the rural and urban poverty ratios.
(C) By selecting the higher of the two ratios to ensure maximum coverage.
(D) By subtracting the urban ratio from the rural ratio.

May/June 2015

96. To overcome problems in rural credit delivery and expensive banking models for small ticket loans, which specific integration was recommended by the expert group headed by Prof Radhakrishna?
(A) Replacing all regional rural banks with informal moneylenders.
(B) Integrating microfinance with banking and harnessing technology like mobile banking.
(C) Mandating farmers to sell produce only to state-owned trading corporations.
(D) Issuing transferable bonds to urban households to fund rural consumption.

Oct/Nov 2007

97. Arrange the following economic milestones/ events in their correct chronological sequence:
I Introduction of the Goods and Services Tax (GST)
II Nationalization of Commercial Banks
III Adoption of Sustainable Development Goals (SDGs)
IV Announcement of packages under Atma Nirbhar Bharat Mission
(A) (II), (I), (III), (IV)
(B) (II), (III), (I), (IV)
(C) (I), (II), (III), (IV)
(D) (II), (I), (IV), (III)

May/June 2019

98. A program focuses on preventing deforestation and restoring degraded land.
Which specific broad area of sustainable development issues covered by the SDGs does this program most directly address?
(A) Combating climate change and protecting the planet's oceans and forests.
(B) Ending poverty and hunger for all individuals across the entire globe.
(C) Making cities and human settlements more inclusive, safe, and sustainable.
(D) Improving health outcomes and providing quality education for all children.

NODIA

Oct/Nov 2015

99. Gross Value Added (GVA) is heavily utilized to assess the performance of agriculture and allied activities. What is the most precise reason GVA is preferred as an economic productivity matrix?
(A) It calculates the total fiscal deficit currently existing within the national agricultural sector.
(B) It measures sector-specific economic contribution by calculating the value of produced goods and services.
(C) It measures the net income from abroad generated purely by agricultural and allied exports.
(D) It estimates the current purchasing power parity of agricultural laborers across all states.

Oct/Nov 2014

100. The Tendulkar committee recommended the use of a Mixed Reference Period. What was this estimate opposed to in the context of earlier methods for estimating poverty?
(A) The Modified Mixed Recall Period estimates.
(B) The Purchasing Power Parity estimates.
(C) The Uniform Reference Period based estimates.
(D) The Cost of Living Index based estimates.

Oct/Nov 2016

101. Approximately 7% of rural households were indebted to both institutional and non-institutional credit agencies. What was the percentage for rural cultivators and non-cultivators in this dual-indebtedness category, respectively?
(A) 8.8% and 4.7%
(B) 21.2% and 13.5%
(C) 10.3% and 10%
(D) 4.3% and 2.5%

May/June 2011

102. Consider the following statements regarding the role of traders and commission agents in providing credit:
I They are more active in the case of commercial crops like groundnut, tobacco, and cotton, and horticulture crops.
II They usually stipulate that the farmer should sell the produce to them at the market price without any deductions.
Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2017

103. The All-India Debt and Investment Survey offers explanations for enduring agrarian distress. These include all of the following EXCEPT:
(A) More than half of rural households are marginal farmers owning less than one hectare of land.
(B) Increased institutional coverage and enforcement of land lease acts have completely eliminated the distress.
(C) Farmers with small land holdings depend heavily on middlemen for selling produce, reducing their income.
(D) The indebtedness of marginal farmers is inversely proportional to their land holdings.

Oct/Nov 2020

104. Unlike the Tendulkar Committee, which computed new poverty lines based on a uniform poverty line basket, what was the approach of the Alagh committee regarding the Poverty Line Basket (PLB)?
(A) It relied on a uniform PLB for both rural and urban areas.
(B) It discarded the PLB entirely in favor of an income-based threshold.
(C) It used the international PLB recommended by the World Bank.
(D) It relied on separate PLBs for rural and urban areas.

May/June 2010

105. Which of the following components accurately reflect the calculation of the monthly per capita consumption expenditure for the poverty line in rural areas (2011–12) by the Rangarajan Group?
I Average monthly per capita consumption expenditure on food is ₹554.
II Basic non-food expenses (clothing, housing, mobility, education) is ₹141.
III Observed expenses of all other non-food expenses is ₹277.
IV The total monthly per capita consumption expenditure works out to ₹972.
V For a family of five, this translates into a monthly consumption expenditure of ₹4,860.

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Which of the above statement(s) is/are correct?
(A) (I), (II), and (III)
(B) (II), (III), and (IV)
(C) (I), (III), and (IV)
(D) (I), (II), (III), (IV), and (V)

Oct/Nov 2012

106. Read the following lists and match the institutional credit component with its corresponding quantitative data as of March 2019.
List I: (Credit Component)
P. Total bank branches across the country
Q. Number of Small Finance Banks functioning
R. Co-operative banking sector institutions
S. Banking correspondent (BC) network
List II: (Quantitative Data)
1. 12
2. 98,545
3. 142,300
4. 4.35 lakh
(A) P-1, Q-3, R-4, S-2
(B) P-3, Q-1, R-2, S-4
(C) P-3, Q-2, R-1, S-4
(D) P-4, Q-1, R-2, S-3

Oct/Nov 2008

107. Out of approximately 142,300 bank branches at end-March 2019, 65% were located in rural and semi-urban areas.
Approximately how many such branches existed in urban/metropolitan areas nationally at that time?
(A) ~ 49,805
(B) ~ 21,345
(C) ~ 92,495
(D) ~ 142,300

May/June 2024

108. Drawing from the findings of the expert group headed by Prof Radhakrishna, how should an effective policy approach conceptualize the issue of farmer suicides?
(A) As a tragic manifestation of deep-rooted agrarian crises, rather than just the proximate cause.
(B) As the primary root cause of the agrarian crisis that demands immediate penal action against banks.
(C) As a direct result of excessive household borrowing that was completely unjustified by credit needs.
(D) As a transient issue linked only to drought and unaffected by the current institutional vacuum.

Oct/Nov 2025

109. A policy event in 1969 is cited as the catalyst that made commercial banks highly rural-oriented. What was this event?
(A) The establishment of the Reserve Bank of India.
(B) The introduction of the Insolvency and Bankruptcy Code.
(C) The formation of the first Self-Help Group.
(D) The nationalization of Commercial Banks.

Oct/Nov 2019

110. Read the following Assertion (A) and Reason (R) and choose the correct option:
Assertion (A): The all-india poverty ratio fell from 38.2% in 2009–10 to 29.5% in 2011–12.
Reason (R): 91.6 million individuals were lifted out of poverty during this period according to the Rangarajan Group estimates.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2017

111. The Tendulkar Group shifted to calculating consumption based on a broader list of items. This inclusive basket contained all of the following EXCEPT:
(A) Cereals, pulses, milk, edible oil, non-vegetarian items.
(B) Education, medical (non-institutional and institutional).
(C) Entertainment, personal & toilet goods.
(D) Luxury vehicles and international travel expenses.

May/June 2018

112. The Committee on Medium-term Path on Financial Inclusion (CMPFI) observed a specific relationship between the land holdings of marginal farmers and their indebtedness. Which statement correctly identifies this relationship?
(A) The indebtedness of these farmers is directly

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proportional to their land holdings.
(B) The indebtedness of these farmers is inversely proportional to their land holdings.
(C) Indebtedness is completely independent of the size of land holdings.
(D) Only farmers with more than one hectare of land experience high indebtedness.

May/June 2025

113. Evaluate the following steps recommended by the Rangarajan Group for updating the poverty line in the future:
I Using the Fisher Index.
II Drawing the weighting diagram from the NSSO's Consumer Expenditure Survey.
III For the Food-group, relying on unit values derivable from the NSSO surveys until a new CPI is available.
IV For non-food items, using price indices available in the existing CSO Consumer Price Indices.
V Reverting to the Uniform Reference Period for all future calculations.
Which combination accurately reflects the recommendations?
(A) (I), (II), (III), and (IV)
(B) (II), (III), (IV), and (V)
(C) (I), (III), and (IV) and (V)
(D) (I), (II), and (IV) and (V)

Oct/Nov 2024

114. Read the following Assertion (A) and Reason (R) and choose the correct option:
Assertion (A): Even after a substantial increase in banking outlets, a significant population of rural households continues to borrow from moneylenders.
Reason (R): There has been no decline in the trend of usury and the total outstanding credit from institutional sources remains below 29%.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2013

115. Which of the following statements are correct regarding the World Bank's poverty estimates?
I The estimates are based on a poverty line of US $1.25 per person, per day, measured at 2005 international price.
II It utilizes 2005 ICP (International Comparison Program) data.
III It uses the same poverty line for all its member countries.
IV It carefully distinguishes between transient and chronic poverty to devise alleviation strategies.
Which combination of statements is correct?
(A) (I), (II), and (III)
(B) (II), (III), and (IV)
(C) (I), (III), and (IV)
(D) (I), (II), and (IV)

NODIA

May/June 2013

116. A surveyor visits a rural household that works its own land and took a loan from a cooperative society and another from a relative. According to the framework used in the All-India Debt and Investment Survey, how would this household's occupation and the sources of debt be categorized?
(A) Occupation: Non-cultivator; Sources: Both Informal.
(B) Occupation: Self-employed; Sources: Both Institutional.
(C) Occupation: Cultivator; Sources: Only Institutional.
(D) Occupation: Cultivator; Sources: Institutional and Non-Institutional.

May/June 2009

117. Based on the Provisional Estimates of GVA at Basic Prices (2011–12 prices), what was the trend in the Manufacturing sector's GVA?
(A) It consistently increased across each year from 2018–19 to 2020–21.
(B) It remained in the expansion zone, registering a growth of 3.0% in 2020–21.
(C) It showed a positive growth rate of exactly 1.0% during the 2019–20 period.
(D) It declined by 2.4% in 2019–20 and fell by 7.2% in 2020–21.

May/June 2020

118. The food basket defined by the Rangarajan Expert Group ensures the simultaneous satisfaction of all the following normative requirements EXCEPT:
(A) Calories

(B) Proteins
(C) Fats
(D) Carbohydrates

May/June 2021

119. Read the following lists and match the occupational category of households with their Incidence of Indebtedness (IOI) (%) as per the NSS 77th round survey.
List I: (Occupational Category)
P. Rural Cultivators
Q. Rural Non-cultivators
R. Urban Self-employed
S. Urban Others
List II: (IOI %)
1. 20.6
2. 27.5
3. 28.2
4. 40.3
(A) P-4, Q-3, R-2, S-1
(B) P-3, Q-4, R-1, S-2
(C) P-4, Q-2, R-3, S-1
(D) P-2, Q-3, R-4, S-1

Oct/Nov 2021

120. Read the following lists and match the expert group or committee with the relevant year of its report or base data.
List I: (Committee/Expert Group)
P. M Dandekar and N Rath
Q. Task force headed by Dr YK Alagh
R. Tendulkar Committee poverty line base year
S. Dr Rangarajan Committee set up
List II: (Year)
1. 1971
2. 1979
3. 2004–05
4. 2012
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-1, R-4, S-3
(C) P-1, Q-3, R-2, S-4
(D) P-4, Q-2, R-3, S-1

May/June 2022

121. How did the Rangarajan Committee treat the issue of spatial and temporal variation in prices when estimating State-level poverty levels?
(A) It abandoned the practice of capturing spatial and temporal variations in prices entirely for state estimations.
(B) It used fixed base-year weights exclusively without combining data from successive NSSO surveys.
(C) It relied solely on the World Bank's PPP conversion factor for all state-level price adjustments.
(D) It used unit values and price-relatives derived from Consumer Price Indices, similar to the Tendulkar Group.

Oct/Nov 2006

122. Regarding the Tendulkar Group's methodology, which of the following statements is incorrect?
(A) It used the all-India urban poverty line basket as the reference to derive state-level rural and urban poverty.
(B) It assumed that health and education would not be exclusively provided by the state, thus incorporating private expenditure.
(C) It decided to firmly anchor the poverty line to the official calorie norms used since 1979.
(D) It found a poor correlation between food consumed and nutrition outcomes.

May/June 2023

123. Concerning the transition from Millennium Development Goals (MDGs) to Sustainable Development Goals (SDGs), which statement is incorrect?
(A) The SDGs were announced in September 2015 and became effective from January 2016.
(B) The SDGs aim to work on the areas which could not be completed earlier under the MDGs.
(C) The SDGs were adopted after minimal consultation, bypassing the UN General Assembly's working group.
(D) The core of the SDG agenda is the integration of the economic, social, and environmental dimensions.

May/June 2014

124. Based on the definitions of macroeconomic indicators, which statement is incorrect?
(A) The Current Account Deficit (CAD) records only exported goods, excluding services and capital transfers.
(B) GDP is the total value of goods and services produced within an economy in a year.
(C) GNP is GDP plus net income from abroad.
(D) GVA is the measure of the value of goods and services produced in an area, industry

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or sector of an economy.

Oct/Nov 2022

125. Regarding the Rangarajan poverty line estimates for urban areas in 2011–12, consider the following statements:

I The new poverty line works out to a monthly per capita consumption expenditure of ₹1,407.

II For a family of five, this translates into a monthly consumption expenditure of ₹7,035.

III The estimated urban poverty ratio was 30.9%.

Which of the above statement(s) is/are correct?

(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

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ANSWERS

1. (D) P-4, Q-2, R-1, S-3
Agriculture, forestry, and fishing grew by 3.6 percent in 2020-21 despite the pandemic. Mining and quarrying saw a decline of 8.5 percent, while manufacturing contracted by 7.2 percent. The construction sector experienced a significant decline of 8.6 percent during the same period. These figures reflect the varying economic impact across key industrial sectors in the Indian economy.

2. (C) Institutional (formal agencies) and non-institutional (informal agencies).
Credit needs of farmers are broadly classified based on the source of finance into institutional and non-institutional categories. Institutional sources include formal agencies like commercial banks, regional rural banks, and cooperatives. Non-institutional sources comprise informal agencies such as moneylenders, traders, relatives, and landlords. This classification helps in understanding the legal and operational framework of rural credit.

3. (D) 3.6%
During the fiscal year 2020-21, the agriculture and allied activities sector demonstrated remarkable resilience. Despite the broader economic challenges posed by the global pandemic, this sector registered a growth percentage of 3.6 percent in terms of Gross Value Added. This performance highlighted the relative stability of the primary sector when compared to the contraction seen in industry and services.

4. (A) (I), (II), (III), and (IV)
According to the All-India Debt and Investment Survey 2019, several non-institutional sources provide credit to rural households. Professional moneylenders hold a 16.5 percent share, while relatives and friends account for 6.8 percent. Agricultural moneylenders contribute 6.3 percent, and landlords represent 1.1 percent of the debt. Chit funds, however, do not match the specified 5.0 percent share in this context.

5. (B) (I) and (III)
Income from non-farm activities is vital for rural households, typically contributing between 25 and 35 percent of their total income. Furthermore, the rural non-farm sector acts as a crucial safety net during times of agricultural distress or economic hardship. Small and marginal farmers increasingly rely on these diverse income streams to supplement their earnings and ensure overall household stability.

6. (B) Farmers cannot depend upon this source consistently for carrying out their crop production activities.
Loans from relatives often carry little to no interest, making them appear attractive for farmers. However, they remain an uncertain source of credit because they are not consistently available. Farmers cannot depend on the financial capacity or willingness of relatives to provide funds whenever they are needed for seasonal crop production, creating significant risks for agricultural planning.

7. (B) By a combination of both formal credit institutions and informal sources.
The rural money market in India is characterized by a dual structure comprising both formal and informal components. Formal institutions include commercial banks and cooperatives that follow regulated procedures. Simultaneously, informal sources such as moneylenders and traders operate through traditional, unregulated methods. Together, these diverse entities fulfill the multi-faceted credit requirements of the rural population for various activities.

8. (B) Slow growth in industry and services due to weak demand and stress in the non-banking sector.
The deceleration of India's growth rate to 4.2 percent in 2019-20 was primarily caused by internal economic factors. Slow growth in the industrial and service sectors was driven by weak domestic demand. Additionally, stress within the non-banking financial sector led to a credit squeeze, further impacting investment and

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consumption before the COVID-19 pandemic caused additional economic disruption.

9. (B) 29%
Historical data from the All-India Debt and Investment Survey highlights a significant transformation in rural finance over several decades. In 1971, institutional credit accounted for approximately 29 percent of the total debt of rural households. This share has grown substantially over time, reaching 66 percent by 2018, reflecting the successful expansion of the formal banking network into rural areas.

10. (C) Coarse Cereals production was lower than Pulses production.
The second advance estimates for 2020-21 indicate robust agricultural performance with record food grain production. Rice reached 1203.2 lakh tons and wheat stood at 1092.4 lakh tons. Total food grains exceeded 3000 lakh tons. However, coarse cereals production is historically higher than pulses production, making the statement suggesting it was lower incorrect according to the established crop production data.

11. (D) 35.0%
The All-India Debt and Investment Survey 2019 provides essential data regarding the financial status of rural families. It reveals that the incidence of indebtedness for all rural households stood at exactly 35.0 percent. This metric indicates the proportion of households that have outstanding debt, highlighting the extent of financial dependency on both institutional and non-institutional credit sources across the country.

12. (C) Electricity, gas, water supply and other utility services
Provisional estimates for Gross Value Added in 2020-21 show that most industrial sectors faced contraction due to pandemic-related disruptions. Mining, manufacturing, and construction all registered negative growth rates during this period. In contrast, the sector covering electricity, gas, water supply, and other utility services managed to maintain positive growth, serving as an exception to the general industrial decline.

13. (A) 55%
The 2011 Census remains a primary source for understanding labor distribution in India. It indicates that the agriculture sector is the largest employer in the country, providing jobs to approximately 55 percent of the total workforce. This significant percentage underlines the critical role of farming and allied activities in supporting the livelihoods of the majority of the Indian population.

14. (C) Services
The Rural Non-Farm Sector is a vital source of employment outside traditional agriculture. Within this sector, services emerge as the most significant provider of jobs, accounting for 60 percent of total employment. This highlights a shift in the rural economy where service-oriented activities, rather than just manufacturing or mining, drive job creation and income diversification for rural residents.

15. (D) They require farmers to sell produce to them at prices significantly lower than the market rate.
Borrowing from traders and commission agents often involves exploitative conditions that harm the financial interests of farmers. A particularly undesirable feature is the requirement for farmers to sell their harvested produce directly to these lenders. These transactions typically occur at prices much lower than prevailing market rates, effectively increasing the real cost of credit and reducing farmer incomes.

16. (A) Agriculture and allied activities
For the majority of people living in rural India, economic life is primarily centered around agriculture and allied activities. These include crop cultivation, animal husbandry, and fishing, which provide the main source of income and employment. While other sectors like manufacturing and services are present, they have not yet replaced agriculture as the fundamental basis of the rural economy.

17. (A) Employers provide a significant 10.0% share of outstanding debt to rural non-cultivators.
Rural non-cultivators receive only a negligible share of debt from employers, making the ten percent figure inaccurate. Current data indicates that rural cultivators have a 66 percent share from institutional agencies. Furthermore,

NODIA

scheduled commercial banks have a much higher involvement with the urban self-employed at 67.6 percent compared to 42.6 percent for those engaged in rural cultivation activities.

18. (C) Both (I) and (II)
Agricultural production in 2020-21 reached record levels across multiple categories. Total food-grain production was estimated at 3033.4 lakh tons, representing a two percent increase over the previous year. Similarly, horticulture crops reached a record 3266 lakh tons, driven by a 2.7 percent increase in the area under cultivation. Both statements accurately reflect the official growth and production data.

19. (A) (I), (II), and (III)
The institutional credit structure for rural areas is built upon commercial banks, regional rural banks, and cooperatives. By March 2019, the national bank network grew to approximately 142,300 branches. Notably, 65 percent of these branches are situated in rural and semi-urban areas to improve financial access. Small finance banks continue to operate, contrary to claims of their cessation.

20. (A) Foreign Direct Investment – FDI
Several major reforms have been implemented to support the growth trajectory of the Indian economy. Among these, Foreign Direct Investment is correctly abbreviated as FDI and represents a key policy for attracting international capital. Other reforms like the Goods and Services Tax and the Insolvency and Bankruptcy Code also play vital roles, but their abbreviations are GST and IBC, respectively.

21. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Non-institutional credit poses significant challenges for borrowers due to its high cost and the uncertainty of obtaining funds when needed. This problem exists because informal providers, such as moneylenders and traders, often exploit farmers. They charge exorbitant interest rates and impose unfavorable conditions, such as forcing the sale of crops at lower prices, which directly explains the stated assertion.

22. (B) It acts as a productivity matrix measuring a sector's contribution to the economy.
Gross Value Added is a crucial economic metric used to estimate the value of goods and services produced in a specific sector or industry. It serves as a productivity matrix that measures the contribution of each sector to the overall economy. By calculating output minus intermediate consumption, it provides a clear picture of the economic value generated by different industries.

23. (D) Non-agricultural activities like mining, services, and processing in towns up to 50,000 people.
The Rural Non-Farm Sector includes all economic activities outside of agriculture and allied sectors that occur in rural areas. This encompasses mining, quarrying, household and non-household manufacturing, processing, and various services. Geographically, it covers activities taking place in villages and rural towns with populations of up to 50,000 people, providing vital employment and income diversification opportunities.

24. (B) P-4, Q-2, R-3, S-1
Distribution of outstanding cash debt for rural cultivators in 2018 shows varying contributions from different institutional sources. Scheduled commercial banks held the largest share at 42.6 percent. Cooperative banks provided 7.2 percent, followed by regional rural banks at 5.1 percent. Bank-linked self-help groups and joint liability groups accounted for 2.6 percent, reflecting their specialized role in rural financial inclusion.

25. (B) US$ 5 trillion
The Indian government has set an ambitious economic target to reach a milestone size of US$ 5 trillion by the fiscal year 2024-25. This objective forms the basis of various industrial and economic policies aimed at boosting manufacturing, exports, and domestic growth. Achieving this goal requires consistent growth across all sectors to recover from previous pandemic-induced economic contractions.

26. (D) The share of agriculture in overall GVA increased from 17.8% to 19.9%.
While most sectors struggled during the pandemic, agriculture showed significant resilience. Between 2019-20 and 2020-21, the share of the agriculture sector in the total

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Gross Value Added of the economy increased from 17.8 percent to 19.9 percent. This rise was driven by positive growth in farming while other major sectors like manufacturing and services experienced a contraction in value.

27. (A) They provide borrower-friendly operations, constant availability, and strong interpersonal relationships.
Moneylenders remain prominent in rural areas because they offer several practical advantages over formal banks. They provide highly flexible and borrower-friendly operations without rigid documentation requirements. Their constant availability and strong interpersonal relationships with local villagers allow them to provide credit quickly. These factors make them a preferred, though often more expensive, option for farmers needing immediate financial assistance.

28. (A) Horticulture production reached 3266 lakh tons, exceeding food grains for the ninth year.
National data for 2020-21 confirms a significant trend where horticulture production reached 3266 lakh tons. This marked the ninth consecutive year that horticulture output exceeded total food grain production. Such consistent growth validates policies aimed at expanding fruit and vegetable cultivation, as it demonstrates the increasing economic importance and productive potential of the horticulture sector in India.

29. (C) Commission Agents
Formal credit institutions in rural India are regulated entities that follow official guidelines for lending. These include regional rural banks, cooperative societies, and small finance banks. In contrast, commission agents are informal, non-institutional sources of credit. They often provide loans under unregulated terms and conditions, distinguishing them from the structured and legal framework that characterizes formal financial institutions.

30. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
There is a strong economic link between agriculture and the rural non-farm sector. Growth in farming activities provides the necessary raw materials for processing industries within the non-farm sector. Additionally, higher farm incomes generate increased demand for various non-farm products and services. These interdependencies create a mutually reinforcing relationship where the success of one sector drives growth in the other.

31. (C) Transfer the funds to NABARD or the government via non-transferable bonds for agricultural programs.
To address the failure of commercial banks to meet agricultural lending targets, the Prof Radhakrishna expert group suggested a specific mechanism for unutilized funds. They recommended transferring these funds to NABARD or the government. This would be done through the issuance of non-transferable bonds, ensuring the money is still utilized for agricultural programs rather than being returned to the RBI.

NODIA

32. (A) (III), (II), (I), (IV)
Poverty estimation in India has evolved through several key committees established at different times. The systematic assessment began with Dandekar and Rath in 1971, followed by the Alagh Task Force in 1979. Later, the Tendulkar Committee provided its report in 2009, and finally, the Rangarajan Committee was constituted in 2012. This chronological sequence reflects the refining of nutritional and economic criteria.

33. (C) Both (I) and (II)
Data on rural indebtedness reveals different patterns of borrowing among households. Approximately 10.2 percent of rural households are indebted exclusively to non-institutional sources like moneylenders. Simultaneously, 17.8 percent of households hold debt only from institutional agencies such as banks. These figures demonstrate that while formal credit has expanded, a significant portion of the rural population still relies solely on informal finance.

34. (D) Using a Uniform Reference Period based estimates instead of the Mixed Reference Period.
While the Tendulkar Committee introduced several reforms, it specifically recommended moving away from the Uniform Reference Period. Instead, the committee advocated for the use of Mixed Reference Period-based estimates to better capture consumption patterns. Other key recommendations included shifting from

calorie-based estimation to a broader basket and incorporating private spending on health and education to define poverty more accurately.

35. (A) As a household's inability to meet its current consumption expenses with its available income.
The Centre for Monitoring Indian Economy defines poverty based on a household's financial capacity to cover its ongoing needs. According to this approach, a household is considered poor if its total available income is insufficient to meet its current consumption expenses. This method focuses on the immediate economic balance within the household rather than relying solely on predetermined consumption baskets.

36. (C) Both (I) and (II)
The methodologies of the Tendulkar and Rangarajan groups differed in their treatment of rural and urban baskets. The Tendulkar Group utilized a single all-India urban poverty line basket as a reference for both sectors. In contrast, the Rangarajan Group chose to revert to the older practice of maintaining separate all-India rural and urban poverty line baskets to reflect distinct consumption needs.

37. (D) The average amount of debt (AOD) for all urban households is currently recorded as ₹1,20,336.
Recent data on indebtedness provides specific figures for different populations. The average amount of debt for all urban households is recorded as 120,336 rupees. This figure includes both indebted and non-indebted families. In contrast, the average debt per indebted rural cultivator household is much higher, and the incidence of indebtedness for urban self-employed is also distinct from these reported values.

38. (D) It lowers per capita income and creates job shortages that result in widespread unemployment.
High population growth is a major driver of poverty in India because it places immense pressure on available resources. Rapid growth leads to a lower per capita income as the national wealth is shared among more people. It also creates a massive shortage of jobs, resulting in widespread unemployment and underemployment, which prevents many families from escaping the cycle of poverty.

39. (D) CPI-IW for urban areas and CPI-AL for rural areas.
The DT Lakdawala Task Force recommended a more precise method for updating poverty lines to reflect changes in the cost of living. It suggested using the Consumer Price Index for Industrial Workers to update the urban poverty line. For rural areas, it recommended the Consumer Price Index for Agricultural Labourers. This approach ensured that regional and occupational price variations were accurately captured.

40. (B) ₹100 crore
To provide relief to farmers trapped by high interest rates from informal lenders, the Prof Radhakrishna expert group proposed a dedicated fund. This 'Money Lenders Debt Redemption Fund' was recommended to have an initial corpus of 100 crore rupees. The fund's purpose is to facilitate the transition of farmers' informal debts into long-term institutional loans, reducing their overall financial burden.

41. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The Rangarajan Expert Group chose to use NSSO estimates for consumption expenditure because they provide a more direct measure of household spending. This preference was driven by the fact that consumption data from National Accounts Statistics and NSSO surveys showed a large and widening discrepancy over time. Using NSSO data was seen as a more accurate way to estimate poverty.

42. (C) It viewed rural indebtedness as a tragic symptom and manifestation of an underlying agrarian crisis.
In analyzing farmer suicides, the expert group headed by Prof Radhakrishna looked beyond the immediate financial causes. It concluded that high levels of rural indebtedness were not the primary cause but rather a tragic symptom of a deeper agrarian crisis. This crisis was driven by factors like stagnant production and an institutional vacuum in credit, manifesting as widespread financial distress.

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43. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Eradicating poverty remains a top priority for India because of its scale and persistence. Despite seven decades of independence and numerous government initiatives, over 200 million people still live below the poverty line. The inadequacy of past measures to fully solve the problem necessitates an urgent and renewed focus on effective strategies to provide every citizen with a basic standard of living.

44. (D) A condition where a person or community lacks the resources and essentials for a minimum standard of living.
Poverty is fundamentally defined as a state in which individuals or communities do not have sufficient financial resources or essential goods. This lack of resources prevents them from maintaining a minimum standard of living, which includes basic necessities such as food, clothing, and shelter. It is a multidimensional condition that impacts health, education, and overall well-being within a society.

45. (C) Center for Monitoring Indian Economy (CMIE) survey
When the Rangarajan Committee sought alternative methods for poverty estimation, they examined data from the Center for Monitoring Indian Economy. This survey offered a different perspective by defining a household as poor if its total income was less than its consumption expenditure. This approach, which considers a household poor if it cannot save, provided an independent verification of traditional consumption-based estimates.

46. (B) ₹1,70,533 and ₹5,36,861
Comparing the debt burden of rural and urban families reveals significant differences in the scale of borrowing. The Average Amount of Debt per Indebted Household (AODL) for rural households is 170,533 rupees. In contrast, the AODL for urban indebted households is much higher, standing at 536,861 rupees. These figures confirm that urban indebted households generally carry a substantially larger financial burden than rural ones.

47. (B) A method used to calculate the money needed to buy the same goods and services in two different countries.
Purchasing Power Parity is an economic theory used to compare the absolute purchasing power of different currencies. It calculates the amount of money required to purchase a specific basket of goods and services in one country compared to another. This method allows for a more accurate comparison of living standards and poverty levels globally, accounting for price differences across national borders.

48. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The expert group emphasized the need to promote a positive repayment culture among rural borrowers using rational incentives. This recommendation was necessary because rural banking costs were high and formal institutions, like cooperatives and regional rural banks, were underperforming in meeting farm lending targets. Improving repayment behavior was seen as essential for making the rural credit system sustainable and efficient.

49. (A) P-4, Q-1, R-2, S-3
Various committees have shaped India's poverty estimation over decades. Dandekar and Rath derived the poverty line from a 2250 calorie requirement in 1971. The Alagh Task Force introduced nutrition-based inflation adjustments in 1979. Lakdawala suggested using specific consumer price indices for updating thresholds, while Tendulkar shifted the focus toward a broader basket that included essential health and education expenditures.

50. (D) (I), (II), and (III)
Determining the poverty line involves calculating several essential spending components. These include the food component for nutritional needs and the normative expenditure required for essential non-food items like education, clothing, and rent. Additionally, it incorporates behaviorally determined expenses for other non-food items. Together, these three elements provide a comprehensive measure of the minimum expenditure needed to stay above the poverty line.

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51. (D) It referenced the simultaneous satisfaction of three nutrient norms: calories, proteins, and fats.
The Rangarajan Group refined the nutritional basis of the poverty line by moving beyond simple calorie counts. Their methodology anchored the food component to the simultaneous satisfaction of three specific nutrient norms: calories, proteins, and fats. This approach ensured that the poverty line basket reflected a more balanced and scientifically grounded nutritional requirement compared to earlier methods that focused only on energy intake.

52. (A) (I) and (II)
The Prof Radhakrishna expert group identified several structural factors behind the agrarian crisis. These included stagnation in production levels and the presence of increasing risks in both farming and marketing. Furthermore, they pointed to the collapse of the previous credit system and a growing institutional vacuum in rural areas. Together, these issues created a cycle of distress and indebtedness for many farmers.

53. (B) (I), (II), and (IV)
The Committee on Medium-term Path on Financial Inclusion noted that more than half of rural households are marginal farmers with very small land holdings. These farmers often depend heavily on middlemen to sell their produce, which significantly reduces their earnings. To address this, the committee recommended expanding loans through the SHG and JLG modes to improve access to formal credit.

54. (A) (I), (II), and (III)
The Suresh Tendulkar Expert Group was formed to address major flaws in existing poverty estimation. These included the use of an obsolete 1973-74 poverty line basket and issues with temporal and spatial price adjustments. Additionally, the group recognized that earlier methods wrongly assumed the state would provide all health and education services, failing to account for necessary private expenditures.

55. (A) They must work for lower wages because the number of job seekers exceeds the available positions.
Unskilled workers in the unorganized sector face difficult economic conditions due to a massive oversupply of labor. Because the number of people seeking work far exceeds the number of available job positions, employers have significant bargaining power. This imbalance forces workers to accept very low wages, as they compete for limited opportunities to earn even a basic income for survival.

56. (A) Institutional credit agencies account for 66%, while non-institutional credit agencies account for 34%.
According to recent data on rural indebtedness, institutional credit agencies now provide the majority of outstanding cash debt in Rural India, accounting for 66 percent. Non-institutional sources, such as moneylenders and relatives, still hold a significant share at 34 percent. While formal banking has expanded its reach, a substantial portion of rural debt remains tied to informal, often more expensive, lenders.

57. (A) It set the per capita expenditure lower in rural areas (₹446.68) than urban areas (₹578.80) with a uniform basket.
For the 2004-05 estimates, the Tendulkar Committee applied a uniform poverty line basket across both rural and urban areas. However, it established different monthly per capita expenditure thresholds to reflect differing costs. The rural poverty line was set at 446.68 rupees, while the urban line was higher at 578.80 rupees. This approach aimed to standardize consumption standards while acknowledging regional price differences.

58. (A) Complete waiver of all principal amounts owed to institutional credit agencies by marginal farmers.
The recommended immediate remedial measures for the agrarian crisis focus on monitoring relief packages in distress-affected districts and rescheduling loans for those hit by natural calamities. While interest waivers and fresh credit grants were proposed, a complete waiver of the principal amounts for all marginal farmers was not part of these specific expert group recommendations for mitigating immediate agricultural distress.

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59. (C) They considered subsistence living or basic minimum needs criteria as the measure of the poverty line.
In 1971, M Dandekar and N Rath used National Sample Survey data to perform a systematic assessment of poverty in India. Their methodology specifically derived the poverty line from an expenditure level adequate to provide 2250 calories per day. They found that 40 percent of rural and 50 percent of urban residents lived below this nutritional threshold during the 1960-61 period.

60. (B) NSSO data – Exhaustive census of every individual's income
Poverty measurement involves several key concepts, such as the head-count ratio and exogenously determined poverty lines based on monthly per capita expenditure. However, it is important to distinguish between surveys and censuses. NSSO data is collected through sample surveys rather than an exhaustive census of every individual's income, making the pairing of these two terms incorrect in an economic context.

61. (C) Uniform Reference Period (URP) exclusively for urban poverty estimation.
The Rangarajan Group utilized advanced data sets, such as the Modified Mixed Recall Period from the NSSO, to estimate poverty ratios more accurately. They also used implicit prices derived from the 68th round of NSSO surveys and recommended the Fisher Index for future updates. They did not use the Uniform Reference Period exclusively for urban areas, as their methodology focused on MMRP.

62. (A) Combating inequalities, promoting gender equality and the empowerment of women and girls.
The Sustainable Development Goals represent a comprehensive global agenda for human development. An ambient goal of this framework is to combat various forms of inequalities and promote gender equality. Furthermore, the goals emphasize the empowerment of women and girls as a central strategy for achieving sustainable economic, social, and environmental progress for all nations across the world by 2030.

63. (A) P-3, Q-4, R-2, S-1
The Rangarajan Group established specific daily nutrient requirements for both rural and urban populations. The protein requirement was set at 48 grams for rural areas and 50 grams for urban areas. Fat requirements were determined to be 28 grams in rural settings and 26 grams in urban environments. These values ensure that the poverty line basket meets basic nutritional standards.

64. (C) P-2, Q-4, R-1, S-3
The Indian economy is shaped by various factors, including risks like high inflation and fiscal deficits. Major structural reforms, such as the Insolvency and Bankruptcy Code, have supported growth. Positive macroeconomic indicators currently include low inflation rates, while agriculture and allied activities demonstrated continued resilience during the 2019-20 period, acting as a stable pillar for the overall national economy.

65. (A) The Tendulkar Group estimated the total number of poor at 354.7 million.
There is a notable difference between the poverty estimates provided by different expert groups for the 2011-12 period. The Rangarajan Group estimated that there were 260.5 million poor in rural areas and 363 million poor in total. Meanwhile, the Tendulkar Group estimated 216.7 million poor in rural areas. The total number of poor calculated by Tendulkar was actually 269.8 million.

66. (A) (I), (II), and (III)
Agricultural production data for the 2020-21 period shows significant increases across several major crops. Wheat production rose to 1092.4 lakh tons, pulses increased to 244.2 lakh tons, and sugarcane production grew to 3976.6 lakh tons. These figures represent the growth over the previous year. In contrast, oilseeds and cotton also saw increases or stability rather than the decreases suggested.

67. (C) Public expenditure on social services has increased but is not captured by the design of these surveys.
The Rangarajan Group noted that poverty lines based on NSSO Consumer Expenditure Surveys may appear lower than actual service

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consumption. This discrepancy occurs because public expenditure on vital social services, such as health and education, has increased significantly. However, the current design of these surveys fails to capture these government-provided services, leading to an underestimation of the total resources consumed.

68. (B) $1.94
World Bank data provides a way to compare national poverty lines using Purchasing Power Parity. For the 2011-12 period, India's national poverty line, when adjusted using the PPP conversion factor, was found to be equivalent to 1.94 US dollars per person per day. This comparison helps researchers understand how India's own thresholds align with international standards for measuring extreme poverty globally.

69. (D) (I), (II), and (III) and (IV)
Macroeconomic indicators provide different ways to measure economic health. Gross Domestic Product measures total domestic production, while Gross National Product adds net income from abroad. Gross Value Added calculates sectoral productivity by measuring the value of goods produced. Additionally, Purchasing Power Parity uses price comparisons of specific goods to determine the absolute purchasing power of different national currencies.

70. (C) Urban India – 26.4%
According to the Rangarajan Group's estimates for 2011-12, poverty ratios varied across different regions of India. The rural poverty ratio was determined to be 30.9 percent, while the urban poverty ratio was slightly lower at 26.4 percent. For the entire country, the all-India poverty ratio stood at 29.5 percent, reflecting the overall proportion of the population living below the threshold.

71. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Most non-farm activities in rural India are carried out by tiny enterprises that often produce lower-quality goods and services. This occurs because these small units typically rely on simple manual technology rather than sophisticated modern equipment. The lack of advanced machinery and reliance on manual labor directly explains why the output from these enterprises often struggles to meet higher quality standards.

72. (A) (I), (II), (III), and (IV)
The Rangarajan poverty line includes essential non-food expenses based on normative requirements. These basic expenses cover clothing, housing, mobility, and education, calculated at 141 rupees for rural areas and 407 rupees for urban areas. These values are derived from the median fractile of the population. However, all other non-food expenses are also included based on observed behavior rather than being ignored.

73. (C) Both (I) and (II)
The Sustainable Development Goals were officially announced in September 2015 as a comprehensive development framework. They consist of 17 individual goals and 169 specific targets designed to address global challenges. These goals became effective in January 2016 and are intended to be achieved by the year 2030, following the completion of the earlier Millennium Development Goals.

74. (B) (I) and (III)
The World Bank uses a standardized international poverty line of 1.25 US dollars per person per day, based on 2005 international prices and adjusted by PPP. A limitation of this approach is that it applies the same threshold across different regions without allowing for internal cost-of-living differentials. Furthermore, it does not distinguish between transient and chronic poverty in its estimates.

75. (D) Slow domestic demand, stress in the non-banking financial sector, and a decline in credit growth.
Sluggish growth in the industrial and service sectors during 2019-20 was caused by several coinciding economic pressures. Slow domestic demand reduced the need for production and services. Simultaneously, the non-banking financial sector experienced significant stress, leading to a decline in credit growth. These factors combined to slow down economic activity across major sectors before the impact of the pandemic.

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76. (D) 2155 kcal and 2090 kcal per person per day.
The Rangarajan Expert Group established specific normative energy requirements as part of its nutritional basis for the poverty line. It determined that the necessary daily intake for a person in rural areas is 2155 kilocalories. For urban areas, the requirement was set slightly lower at 2090 kilocalories per day. These values were used to calculate the food component of the basket.

77. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
India has maintained its position as the fastest-growing major economy in the world, showing remarkable resilience. This sustained growth is supported by several major structural reforms implemented by the government. Policies such as the Goods and Services Tax, the Insolvency and Bankruptcy Code, and FDI liberalization have created a strong foundation, which directly explains the economy's robust growth trajectory.

78. (D) It is more precise than the Mixed Recall Period and the Uniform Reference Period used in earlier years.
The Rangarajan Expert Group adopted the Modified Mixed Recall Period for its consumption expenditure data. This specific methodology is considered more precise than the older Mixed Recall Period or the Uniform Reference Period. By using varying recall times for different types of goods, it provides a more accurate reflection of actual household spending, leading to more reliable poverty estimations.

79. (B) It records the value of exports and imports of goods, services, and international transfers of capital.
A country's Current Account Deficit is a key component of its balance of payments. It specifically records the total value of exported and imported goods and services. Additionally, it includes international transfers of capital and net income from abroad. This indicator provides a comprehensive summary of a nation's trade balance and its ongoing financial interactions with the rest of the world.

80. (D) To reflect cost of living differences across countries based on 2011 prices adjusted for inflation.
The global poverty line was revised from 1.25 to 1.90 dollars per day to keep up with economic changes. This adjustment was primarily made to reflect differences in the cost of living across various countries using 2011 prices. By adjusting for inflation and price variations over time, the World Bank ensures that the international poverty line remains a relevant measurement tool.

81. (C) It provides supplementary employment to farm households, reduces inequality, and stems migration.
The Rural Non-Farm Sector is an effective strategy for development because it diversifies the rural economy. It provides essential supplementary employment for farm households, which helps to increase total family income. By creating local opportunities, it reduces rural inequality and stems the tide of distress migration to urban centers, contributing to more balanced and sustainable regional growth.

82. (A) ₹4,860
For the 2011-12 period, the Rangarajan Expert Group set the rural poverty line at a monthly per capita expenditure of 972 rupees. To calculate the threshold for an entire household, this individual amount must be multiplied by the number of members. For a family consisting of five people, the total monthly consumption expenditure required to be at the poverty line is 4,860 rupees.

83. (D) P-4, Q-3, R-1, S-2
Significant poverty reduction occurred between 2009-10 and 2011-12 according to various metrics. The Rangarajan Group noted a total reduction of 8.7 percentage points. Under the Tendulkar methodology, rural poverty fell by 8.1 points, urban poverty by 7.2 points, and the total national poverty ratio decreased by 7.9 points. These figures highlight the rapid decline in poverty during this specific period.

84. (C) Self-help Group (SHG)
When individuals, such as rural women, come together to pool their small monthly savings and provide loans to each other, they form a Self-Help Group. These groups are typically informal

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associations that provide members with access to small-scale credit for personal or business purposes. They play a vital role in rural financial inclusion and empower members through collective saving and lending.

85. (C) SDGs were adopted after a large consultation exercise to cover much broader sustainability issues.
The primary operational difference between the Millennium Development Goals and the Sustainable Development Goals lies in their formulation. While the MDGs were more narrowly focused, the SDGs were adopted following an extensive global consultation process. This allowed the SDGs to address a much wider range of sustainability issues, including economic, social, and environmental dimensions, while applying universally to all countries.

86. (B) The average monthly per capita consumption expenditure on food is ₹856 in urban areas.
The Rangarajan Group's methodology for the food basket involves calculating the expenditure required to meet nutrient norms. For the fractile classes where these norms are met, the average monthly per capita consumption expenditure on food is 554 rupees in rural areas. In urban areas, the corresponding monthly expenditure for food consumption is 856 rupees, reflecting the higher cost of living.

87. (B) Commercial banks have an ATM network of exactly 4.35 lakh across the country.
India's rural banking structure has evolved significantly, with commercial banks becoming more rural-oriented since 1969. By March 2019, 65 percent of all bank branches were located in rural and semi-urban areas, and the cooperative sector included 98,545 institutions. However, the claim that commercial banks have exactly 4.35 lakh ATMs across the country is incorrect according to the reported data.

88. (B) 21.9%
According to the findings of the Tendulkar Committee, the all-India poverty ratio for the fiscal year 2011-12 was determined to be 21.9 percent. This figure represents the official proportion of the population living below the poverty line under that specific methodology. This estimate is significantly lower than the ratio calculated by the Rangarajan Group for the same period.

89. (B) The domestic savings account
A country's balance of payments is divided into three main components that track all international economic transactions. These components include the current account, the capital account, and the financial account. The domestic savings account is not a component of the balance of payments; it is instead a separate internal measure of the portion of national income that is not consumed.

90. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The Planning Commission methodology provides a more precise capture of regional prices than the World Bank's approach. This is because the Planning Commission uses state-specific and region-specific poverty lines for both rural and urban areas. In contrast, the World Bank relies on a single international poverty line for all countries, which directly explains why the Planning Commission's method is more localized.

91. (B) P-4, Q-3, R-2, S-1
Non-institutional credit sources remain significant in Rural India, with varying shares of outstanding debt. Professional moneylenders hold the largest share at 16.5 percent. Relatives and friends follow with 6.8 percent of the total debt. Agricultural moneylenders account for 6.3 percent, while landlords provide a much smaller portion of credit, representing only 1.1 percent of the total outstanding debt.

92. (C) The gap decreased from 8.4 percentage points in 2009-10 to 7.6 points in 2011-12.
Comparing the Rangarajan and Tendulkar methodologies reveals that while the absolute poverty ratios differ, they show a similar trend of reduction. The gap between the poverty ratios calculated by these two methods decreased over time. Specifically, the difference narrowed from 8.4 percentage points in 2009-10 to 7.6 percentage points in 2011-12, indicating a convergence in the estimated rate of decline.

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93. (C) It provides a highly secure and regulated legal framework for the borrower.
Borrowing from landlords and other informal sources often presents several risks for small and tenant farmers. These loans typically carry very high interest rates and can lead to the loss of land if the borrower cannot repay. Unlike formal banking, this type of credit lacks a secure and regulated legal framework, making the borrower vulnerable to various forms of financial exploitation.

94. (C) SDGs effective date – January 2030
Global development frameworks have transitioned from the Millennium Development Goals to the Sustainable Development Goals. The SDGs consist of 17 goals and 169 targets proposed by an open working group. While they aim to be achieved by 2030, their effective date was actually January 2016. The claim that they become effective in January 2030 is therefore incorrect.

95. (B) By computing a weighted average of the rural and urban poverty ratios.
To calculate a comprehensive state-level poverty ratio using the Rangarajan methodology, a researcher must look at both rural and urban data. The correct statistical approach is to compute a weighted average of the rural and urban poverty ratios. This ensures that the final state-level figure accurately reflects the population distribution between the countryside and the cities within that specific state.

96. (B) Integrating microfinance with banking and harnessing technology like mobile banking.
To improve rural credit delivery and reduce costs for small-ticket loans, the Prof Radhakrishna expert group recommended a modern approach. They suggested integrating microfinance directly with the formal banking system. Furthermore, they emphasized harnessing new technologies, such as mobile banking, to reach farmers more efficiently. This strategy aims to bridge the gap between formal institutions and the diverse needs of rural borrowers.

97. (B) (II), (III), (I), (IV)
Several major economic events in India follow a specific historical timeline. Commercial banks were nationalized in 1969. Decades later, the Sustainable Development Goals were adopted in 2015. This was followed by the introduction of the Goods and Services Tax in 2017. Most recently, the government announced various packages under the Atma Nirbhar Bharat Mission in 2020 to support the national economy.

98. (A) Combating climate change and protecting the planet's oceans and forests.
Programs that focus on preventing deforestation and restoring degraded land are directly aligned with environmental sustainability. These initiatives address the broad area of the Sustainable Development Goals related to combating climate change. By protecting the planet's forests and terrestrial ecosystems, such programs contribute to the global effort to ensure environmental health and resilience for future generations as envisioned in the SDGs.

99. (B) It measures sector-specific economic contribution by calculating the value of produced goods and services.
Gross Value Added is highly favored as an economic productivity matrix because it provides a precise measure of a sector's contribution. It calculates the total value of all goods and services produced within an industry, such as agriculture, while excluding the cost of intermediate inputs. This allows economists to assess the actual value added by the sector to the overall national economy.

100. (C) The Uniform Reference Period based estimates.
The Tendulkar Committee introduced the Mixed Reference Period as a more reliable alternative to the previously used Uniform Reference Period. This shift allowed for a more accurate estimation of consumption expenditure by using different recall periods for various items. By moving away from the thirty-day recall for all goods, the methodology better reflected the actual spending habits of Indian households.

101. (A) 8.8% and 4.7%
Dual indebtedness refers to households that borrow from both institutional and non-institutional sources. For rural India as a whole, this category includes approximately seven percent of households. Looking closer at occupational groups, the percentage for rural

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cultivators is 8.8 percent, while for rural non-cultivators, it is lower at 4.7 percent. These figures show the complexity of rural financial dependency.

102. (A) Only (I)
Traders and commission agents are particularly active in providing credit for commercial crops, such as tobacco and cotton, as well as various horticulture crops. However, they do not typically offer credit at fair market prices without deductions. Instead, they often require farmers to sell their produce at lower-than-market rates, which serves as a hidden cost of the informal credit provided.

103. (B) Increased institutional coverage and enforcement of land lease acts have completely eliminated the distress.
Data from the All-India Debt and Investment Survey provides several reasons for ongoing agrarian distress. These include the high proportion of marginal farmers and their heavy dependence on middlemen for sales. Additionally, indebtedness is often inversely proportional to land size. However, the survey does not claim that increased institutional coverage or land lease acts have completely eliminated these deep-rooted problems.

104. (D) It relied on separate PLBs for rural and urban areas.
The Alagh Committee, established in 1979, took a specific approach to defining poverty thresholds. Unlike the Tendulkar Committee, which later used a uniform basket, the Alagh Committee relied on separate poverty line baskets for rural and urban areas. These separate baskets were designed to reflect the distinct nutritional and consumption requirements of people living in the countryside versus those in cities.

105. (D) (I), (II), (III), (IV), and (V)
The Rangarajan Group's rural poverty line for 2011-12 is calculated from several components. It includes 554 rupees for food, 141 rupees for basic non-food items, and 277 rupees for other observed expenses. This results in a total monthly per capita expenditure of 972 rupees. For a family of five, this translates into a total required monthly consumption expenditure of 4,860 rupees.

106. (B) P-3, Q-1, R-2, S-4
As of March 2019, India's institutional credit infrastructure included 142,300 total bank branches. There were 12 small finance banks functioning across the country, and the cooperative banking sector comprised 98,545 institutions. Additionally, the banking correspondent network, which is vital for reaching remote areas, had grown to 4.35 lakh. These figures demonstrate the extensive reach of the formal financial system.

107. (A) ~ 49,805
At the end of March 2019, India had a total of approximately 142,300 bank branches. Official data indicates that 65 percent of these branches were located in rural and semi-urban areas. By calculating the remaining 35 percent, it is determined that approximately 49,805 branches were situated in urban and metropolitan areas. This reflects the balance of the national banking network distribution.

108. (A) As a tragic manifestation of deep-rooted agrarian crises, rather than just the proximate cause.
Following the findings of the expert group headed by Prof Radhakrishna, an effective policy must view farmer suicides within a broader context. They should be seen as a tragic manifestation of deep-rooted agrarian crises rather than just an isolated event. This perspective recognizes that structural issues, such as production risks and credit vacuums, are the fundamental drivers behind such extreme financial distress.

109. (D) The nationalization of Commercial Banks.
A pivotal moment in Indian banking history occurred in 1969 with the nationalization of commercial banks. This policy shift was the primary catalyst that made these institutions highly rural-oriented. By bringing these banks under government control, the state was able to direct credit toward the agricultural sector and expand the formal banking network into previously underserved rural districts across India.

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110. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
According to the Rangarajan Group, the all-India poverty ratio dropped from 38.2 percent in 2009-10 to 29.5 percent in 2011-12. During this period, it is also true that approximately 91.6 million people were lifted above the poverty line. While both statements are accurate reflections of the data, the absolute number of people is a result of the ratio's fall.

111. (D) Luxury vehicles and international travel expenses.
The Tendulkar Group methodology utilized a broader consumption basket to estimate poverty more accurately. This basket included food items like cereals and milk, along with essential services like education and medical care. It also covered personal and toilet goods and entertainment. However, it specifically excluded non-essential, high-cost items such as luxury vehicles and international travel, which are not relevant for poverty thresholds.

112. (B) The indebtedness of these farmers is inversely proportional to their land holdings.
The Committee on Medium-term Path on Financial Inclusion observed a specific trend regarding rural debt. They found that the indebtedness of marginal farmers is inversely proportional to the size of their land holdings. This means that farmers with the smallest plots of land often carry the heaviest relative debt burdens, highlighting their extreme vulnerability and need for improved access to formal credit.

113. (A) (I), (II), (III), and (IV)
The Rangarajan Group proposed a specific methodology for future updates to the poverty line. This includes using the Fisher Index and drawing the weighting diagram from NSSO surveys. They recommended using unit values from surveys for the food group and price indices from the CSO for non-food items. These steps are designed to keep the poverty line relevant as prices change.

114. (C) Assertion (A) is true, but Reason (R) is false.
Despite the growth of the banking network, many rural households still borrow from moneylenders. This part of the statement is true, as informal credit remains significant. However, the claim that institutional credit remains below 29 percent is false. In reality, the share of institutional credit in rural areas has increased significantly over the decades, reaching approximately 66 percent by 2018.

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115. (A) (I), (II), and (III)
The World Bank's poverty estimates are based on a standard international poverty line of 1.25 US dollars per day at 2005 prices. This method uses 2005 International Comparison Program data and applies a uniform line to all member countries for global consistency. However, these estimates generally do not provide a detailed distinction between transient and chronic poverty in their basic formulation.

116. (D) Occupation: Cultivator; Sources: Institutional and Non-Institutional.
A household that operates its own land is classified as a cultivator according to the All-India Debt and Investment Survey. If this household takes a loan from a cooperative society, it is accessing an institutional source. A loan from a relative is categorized as a non-institutional source. Therefore, this household's financial profile represents a cultivator utilizing both institutional and non-institutional credit.

117. (D) It declined by 2.4% in 2019-20 and fell by 7.2% in 2020-21.
Provisional estimates for Gross Value Added show a downward trend for the manufacturing sector over two consecutive fiscal years. In 2019-20, the sector's growth rate declined by 2.4 percent. This contraction deepened in 2020-21, when manufacturing output fell by 7.2 percent. This decline reflects the severe impact of both pre-pandemic economic stress and the subsequent disruptions caused by the global health crisis.

118. (D) Carbohydrates
The food basket defined by the Rangarajan Expert Group was designed to ensure that specific nutritional requirements were met. Their methodology focused on the simultaneous satisfaction of three key nutrient norms: calories, proteins, and fats. While carbohydrates are a major part of the human diet, they were not one of the specific normative requirements used to anchor the poverty line food basket.

119. (A) P-4, Q-3, R-2, S-1
The incidence of indebtedness varies across different occupational categories according to the 77th round survey. Rural cultivators have the highest incidence at 40.3 percent. Rural non-cultivators stand at 28.2 percent. In urban areas, the self-employed have an indebtedness incidence of 27.5 percent, while the 'others' category has the lowest reported incidence among these groups at 20.6 percent.

120. (A) P-1, Q-2, R-3, S-4
Chronological milestones in India's poverty estimation include the report by Dandekar and Rath in 1971. This was followed by the Alagh Task Force in 1979. The Tendulkar Committee used 2004-05 as the base year for its revised poverty line. Finally, the Dr. Rangarajan Committee was officially set up in 2012 to review the existing methodology for estimating poverty in India.

121. (D) It used unit values and price-relatives derived from Consumer Price Indices, similar to the Tendulkar Group.
To estimate state-level poverty ratios, the Rangarajan Committee needed to account for spatial and temporal price variations. They adopted an approach similar to the Tendulkar Group by using unit values and price-relatives. These were derived from the Consumer Price Indices to adjust for differences in the cost of living across different states and over time, ensuring more accurate regional estimates.

122. (C) It decided to firmly anchor the poverty line to the official calorie norms used since 1979.
The Tendulkar Group methodology introduced several key changes, including the use of an urban poverty line basket as a reference and incorporating private spending on health and education. However, the committee specifically decided to move away from anchoring the poverty line to the official calorie norms used since 1979. They found that calorie consumption was poorly correlated with broader nutritional outcomes.

123. (C) The SDGs were adopted after minimal consultation, bypassing the UN General Assembly's working group.
The Sustainable Development Goals became effective in January 2016 following their announcement in 2015. They were designed to build on the work of the earlier Millennium Development Goals by integrating economic, social, and environmental factors. Crucially, the SDGs were adopted after an extensive and inclusive consultation process involving many stakeholders, rather than being passed with minimal consultation or bypassing formal groups.

124. (A) The Current Account Deficit (CAD) records only exported goods, excluding services and capital transfers.
Macroeconomic indicators help measure different aspects of the economy. While GDP, GNP, and GVA provide various views on production and value added, the definition of the Current Account Deficit is more comprehensive. It records the total value of exported and imported goods and services, as well as international capital transfers. Claiming it only records exported goods while excluding other elements is incorrect.

125. (A) (I) and (II)
For the urban sector in 2011-12, the new poverty line was determined as a monthly per capita consumption expenditure of 1,407 rupees. This threshold translates to a monthly expenditure of 7,035 rupees for a household consisting of five members. However, the urban poverty ratio under this specific methodology was estimated at 26.4 percent rather than the higher figure.

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CHAPTER 04
Infrastructure

Oct/Nov 2024

1. What is India's rank amongst 160 countries as per the World Bank's Logistics Performance Index (LPI) 2018?
(A) 34th
(B) 44th
(C) 54th
(D) 64th

May/June 2010

2. What is the fundamental purpose of setting up the National Bank for Financing Infrastructure and Development (NaBFID)?
(A) To provide direct subsidies to individual farmers for purchasing heavy agricultural machinery
(B) To act as the central regulator for all commercial banks in rural areas
(C) To fund infrastructure projects as a development financial institution
(D) To manage and streamline the distribution of electric power to rural households

Oct/Nov 2013

3. Which apex body is responsible for formulating policies, regulations, and acts pertaining to the development of the rural sector?
(A) Ministry of Agriculture and Farmers' Welfare
(B) National Bank for Agriculture and Rural Development
(C) Ministry of Rural Development
(D) Department of Promotion of Industry and Internal Trade

May/June 2021

4. Under the Pradhan Mantri Gram Sadak Yojana (PMGSY), what is the minimum population criteria for providing all-weather road connectivity to a rural habitation in the plains and hill states, respectively?
(A) 1000 in plains, 500 in hill states
(B) 500 in plains, 250 in hill states
(C) 250 in plains, 100 in hill states
(D) 2000 in plains, 1000 in hill states

Oct/Nov 2005

5. Consider the following statements regarding government initiatives and proposals of Budget 2021:
I The Ministry of Road Transport Highways announced the launch of 1,080-km road construction projects under the Bharatmala Pariyojana.
II The Central Water Commission and the World Bank signed a US$250 million project to support the dam safety program.
III An allocation of ₹165 crore has been made under the Economic Importance and Inter State Connectivity Scheme (EIC&ISC).
IV The Rooftop Solar Program Phase II aims to install an RTS capacity of 4,000 MW in the residential sector by 2022.
Which combination of statements is correct?
(A) (I), (II), and (III)
(B) (I), (III), and (IV)
(C) (II), (III), and (IV)
(D) (I), (II), and (IV)

May/June 2007

6. Consider the following statements about the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS):
I It was implemented starting from February 2006 as a demand-driven and self-selecting program.
II It guarantees rural households not less than 100 days of paid employment per financial year.
Which of the statements is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2016

7. What is the collective term used to describe facilities and services such as credit, power, roads, markets, skilled manpower, and banking

NODIA

that are prerequisite for agricultural and industrial production?
(A) Commercial and industrial provisions
(B) Economic and social overheads
(C) Secondary and tertiary resources
(D) Capital and operational reserves

May/June 2024

8. A transport planner is analysing the long-term investment plan to develop the country's seaports for seamless implementation through the Year 2035. Which project identifies 574 projects with a US$82 billion investment plan?
(A) Bharatmala Pariyojana
(B) Sagarmala project
(C) National Infrastructure Pipeline
(D) Freight Smart Cities

Oct/Nov 2009

9. Which of the following correctly represents the classification of Indian roads?
(A) National highways, Expressways, Urban roads, and Rural roads
(B) National highways, State highways, Major District Roads, and Rural roads
(C) Interstate highways, State highways, Municipal roads, and village paths
(D) Central highways, Provincial highways, District roads, and unpaved roads

May/June 2019

10. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The infrastructure sector has become the biggest focus area for the Government of India, planning to spend US$1.4 trillion during the period 2019–23.
Reason (R): Substantial investments in infrastructure are deemed necessary to have a sustainable economic development and achieve an economic miracle.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2011

11. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Small farmers frequently resort to distress sale, selling their produce at a low price to moneylenders.
Reason (R): Small farmers are often in need of cash, borrow money from moneylenders, and suffer from a lack of adequate storage facilities.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2005

12. Identify the correct statement regarding the working population in rural areas.
(A) Farmers and casual wage workers account for roughly 60% of the working population.
(B) Farmers and casual wage workers account for roughly 75% of the working population.
(C) Farmers and casual wage workers account for roughly 90% of the working population.
(D) Farmers and casual wage workers account for roughly 95% of the working population.

Oct/Nov 2022

13. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Ministry of Power constituted an expert committee including members from state governments and NITI Aayog.
Reason (R): The committee was constituted under the auspices of the National Electricity Policy (NEP) 2021.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

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May/June 2013

14. Match the initiatives in List I with their corresponding financial values or targets in List II.

List I: Initiatives

P. Bharatmala Pariyojana road projects
Q. EIC&ISC Scheme allocation for FY22
R. Incubation of one new city per state
S. Two plants for producing ethanol and CBG

List II: Values/Targets

1. ₹165 crore
2. ₹1,000 crore
3. ₹5,000 crore
4. ₹25,370 crore

(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-4, R-3, S-2
(C) P-4, Q-2, R-1, S-3
(D) P-3, Q-1, R-2, S-4

Oct/Nov 2018

15. Identify the incorrect statement regarding the expansion of permissible works under Schedule I of MGNREGA.

(A) Emphasis is laid on public works relating to National Resources Management.
(B) It includes providing all-weather rural road connectivity to unconnected villages.
(C) It involves large-scale tree plantation and specialized horticulture in rural road margins.
(D) It includes constructing pucca internal roads without side drains or culverts.

May/June 2025

16. How does physical infrastructure directly and indirectly contribute to human capital?

(A) By enhancing productivity and assisting in the realization of potential ability
(B) By replacing manual labour with automated industrial operations
(C) By restricting migration from rural to urban areas
(D) By strictly separating agricultural activities from the manufacturing sector

Oct/Nov 2007

17. A state government plans to consolidate its existing rural road network by upgrading selected routes based on their potential to connect rural growth centres and tourist places. Which specific scheme, launched in May 2013, caters to this objective?

(A) PMGSY-II
(B) PMGSY-I
(C) NREP
(D) MGNREGS

May/June 2011

18. Consider the following statements regarding the infrastructure sector in the Union Budget 2021:

I The government allocated ₹2,33,083 crore to enhance the transport infrastructure.
II The government expanded the 'National Infrastructure Pipeline (NIP)' to 7,400 projects.

Which of the statements is/are correct?

(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2020

19. Identify the correct statement regarding health infrastructure interventions announced by the government.

(A) They are managed under the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY).
(B) They are exclusively funded by the World Bank.
(C) They are implemented solely by the Central Water Commission.
(D) They are managed under the PM Aatmanirbhar Swasth Bharat Yojana (PMANSY).

May/June 2016

20. Identify the incorrect statement regarding recent infrastructure interventions.

(A) Ministry of Railways - Sagarmala project
(B) Ministry of Commerce's Logistics Division - Freight Smart Cities
(C) Ministry of Petroleum and Natural Gas - GAIL municipal waste plants
(D) Ministry of Power - National Electricity Policy expert committee

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Oct/Nov 2014

21. Traditionally, farmers in need of immediate cash resort to distress sales. Which of the following is NOT one of the three traditional choices available to farmers to sell their produce?

(A) Sell to the village traders who are often moneylenders
(B) Sell in the village market (hat)

(C) Export directly to international agricultural exchanges
(D) Take the produce to the Mandis

May/June 2022

22. A government analyst is reviewing the Union Budget allocations to track the emphasis on agriculture and farmers' welfare. What was the allocated sum to the Department of Agriculture, Cooperation and Farmers' Welfare in the 2021–22 budget?
(A) ₹1,10,000 crore
(B) ₹1,23,018 crore
(C) ₹2,33,083 crore
(D) ₹5,00,000 crore

Oct/Nov 2017

23. Identify the incorrect statement regarding India's core sector growth in July 2021.
(A) The core sector growth rose by 9.4% in July 2021.
(B) Production of coal, natural gas, and refinery products increased in July 2021.
(C) Crude oil production dropped by 3.2% in July 2021.
(D) Infrastructure sectors contracted by 9.3% in June 2021.

May/June 2008

24. Which of the following is NOT a scheme under which rural roads have traditionally been constructed?
(A) Minimum Needs Program (MNP)
(B) Rural Landless Employment Guarantee Program (RLEGP)
(C) Command Area Development (CAD) Program
(D) Freight Smart Cities Program

Oct/Nov 2023

25. Which of the following is NOT an asset programmed for monetization by the Ministry of Railways?
(A) Eastern and Western Dedicated Freight Corridors
(B) Existing dams across various states
(C) Station redevelopment through PPP
(D) Hill railways and stadiums

May/June 2012

26. Which of the following is NOT identified as a lack of basic infrastructure serving as a primary hindrance to the growth in rural productivity?
(A) Electricity
(B) Clean water
(C) Sanitation
(D) Telecommunication

Oct/Nov 2006

27. Consider the following statements regarding the progress of the PMGSY as against the sanctioned targets:
I The scheme completed 6.76 lakh Kms of roads against the sanction of 7.62 lakh Kms.
II The connected habitations were at 1.715 lakh against the sanctioned 1.727 lakh.
III The expenditure incurred stood at ₹3.25 lakh crore against the project value of ₹2.62 lakh crore.
Which combination of statements is correct?
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

May/June 2023

28. Consider the following statements regarding the Indian power sector's future projections by 2026–27:
I The all India power generation installed capacity will be nearly 620 GW.
II 38% of the installed capacity will be from coal.
III 44% of the installed capacity will be from renewable energy.
Which combination of statements is correct?
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

Oct/Nov 2019

29. In the context of the transportation infrastructure in rural areas, what conceptual role do rural roads play within the road system?
(A) They act as the backbone of the road network.
(B) They form the arteries of the road system.
(C) They serve as the veins of the road system.
(D) They function as major district bypasses.

May/June 2018

30. Identify the correct pair regarding the recommendations for new city incubation.
(A) NITI Aayog - Earmarking of ₹5,000 crore

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(B) Central Electricity Authority - Earmarking of ₹1,000 crore
(C) Ministry of Commerce - Earmarking of ₹4,000 crore
(D) XV Finance Commission - Earmarking of ₹8,000 crore

Oct/Nov 2015

31. Which state agency projects are eligible for assistance under the reform-linked AMI sub-scheme?
(A) Only those in states that have completely abolished the existing APMC Act
(B) Only those in states that provide 100% subsidy on electricity
(C) Only those in states allowing Direct Marketing and Contract Farming
(D) Only those in states governed directly by the Central Government

May/June 2015

32. What is the fundamental concept behind the scoring system of NITI Aayog's 'Agriculture Marketing and Farmer Friendly Reforms Index'?
(A) A score of 0 implies complete reforms and 100 implies no reforms.
(B) A score of 0 implies no reforms and 100 implies complete reforms.
(C) A score of 50 is mandatory for states to receive central agricultural funding.
(D) The score represents the percentage of agricultural produce exported internationally.

Oct/Nov 2021

33. The Integrated Scheme for Agricultural Marketing (ISAM) incorporates multiple sub-schemes. Consider the following:
I Agricultural Marketing Infrastructure (AMI)
II Marketing Research and Information Network (MRIN)
III Strengthening of AGMARK Grading Facilities (SAGF)
IV Agri-business Development (ABD)
V National Institute of Agricultural Marketing (NIAM)
Which combination represents the correct sub-schemes of ISAM?
(A) (I), (II), (III), and (IV) only
(B) (I), (III), (IV), and (V) only
(C) (II), (III), (IV), and (V) only
(D) (I), (II), (III), (IV), and (V)

May/June 2020

34. Consider the following components regarding the Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY):
I Separation of agricultural and non-agricultural electricity feeders.
II Improving sub-transmission and distribution infrastructure in rural areas.
III Rural electrification by carrying forward targets specified under RGGVY.
IV Privatizing all state power distribution companies.
Which combination represents the correct components of DDUGJY?
(A) (I), (II), and (III)
(B) (I), (III), and (IV)
(C) (II), (III), and (IV)
(D) (I), (II), and (IV)

Oct/Nov 2010

35. Consider the following statements regarding the quantum of SFAC Venture Capital Assistance (VCA):
I It depends on the project cost and will be 26% of the promoter's equity or ₹50.00 lakhs, whichever is lower.
II For projects in the North-Eastern Region and Hilly States, it will be 40% of the promoter's equity or ₹50.00 lakhs, whichever is lower.
III For projects promoted by a registered Farmer Producers Organization anywhere in the country, it will be 50% of the promoter's equity.
Which combination of statements is correct?
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

May/June 2006

36. Identify the incorrect statement regarding the statistics of rural electrification leading up to April 2018.
(A) Leisang of Manipur was the first village electrified under the 1000-day mission.
(B) There were 18,452 un-electrified villages as on 1 April 2015.
(C) The electrification achievement excluded 1,305 uninhabited villages.
(D) A total of exactly 18,374 census inhabited

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villages were successfully electrified.

Oct/Nov 2012

37. What is the traditional role of brokers (dalals) in the Mandis?
(A) To help the farmer sell their produce to the wholesalers
(B) To set the Minimum Support Price for all commodities
(C) To provide venture capital assistance to agri-preneurs
(D) To operate the regional AGMARK laboratories

May/June 2017

38. Identify the correct statement regarding the benefits accruing to APMCs from the e-NAM network.
(A) It increases man-power requirements to handle electronic records.
(B) It restricts the availability of financial information to the Central Government only.
(C) It delays arrival recording to allow manual verification of commodities.
(D) It provides Free Software for System integration and Automation of recording transactions.

Oct/Nov 2008

39. When was the Rural Electrification Policy formally notified consequent to the mandate of the Electricity Act, 2003?
(A) August 2006
(B) December 2014
(C) April 2015
(D) August 2015

May/June 2014

40. Identify the incorrect statement regarding the Kisan Suvidha mobile app.
(A) It is an omnibus mobile app developed by the Department of Agriculture & Cooperation.
(B) It provides information on weather, input dealers, market price, plant protection, and expert advisories.
(C) An additional tab directly connects the farmer with the Kisan call centre.
(D) The app is available only in English to maintain standardized agricultural terminology.

Oct/Nov 2025

41. During a review of the Power Sector achievements, a landmark date was recognized when the electrification of all un-electrified census inhabited villages was achieved. Which village marked the culmination of this effort?
(A) Mawlynnong of the Meghalaya state
(B) Leisang of the Manipur state
(C) Punsari of the Gujarat state
(D) Hiware Bazar of the Maharashtra state

May/June 2009

42. Match the following ISAM sub-schemes in List I with their erstwhile equivalents or components in List II.
List I: ISAM Sub-schemes
P. AMI
Q. SAGF
R. ABD
S. NIAM
List II: Components/Equivalents
1. Venture Capital Assistance (VCA) and Project Development Facility (PDF)
2. Grameen Bhandaran Yojana and AMIGS
3. AGMARK Grading Facilities
4. Catering to the needs of agricultural marketing personnel
(A) P-2, Q-3, R-1, S-4
(B) P-1, Q-2, R-4, S-3
(C) P-3, Q-1, R-2, S-4
(D) P-2, Q-4, R-1, S-3

Oct/Nov 2024

43. Which of the following is NOT a feature proposed by the model Agricultural Produce Market Committee (APMC) Act, 2017?
(A) Single-point levy of market fee across a State
(B) Mandatory physical trading of commodities only within designated market yards
(C) A united single trading licence for cost-effectiveness
(D) Abolition of fragmentation of market within the State/Union Territory

May/June 2010

44. Consider the following statements regarding the cost limits for a proposed agribusiness project seeking PDF and VCA:
I The cost of the proposed project must be ₹15 lakh and above, subject to a maximum of ₹500 lakh.
II Projects valuing ₹10 lakh and above located

NODIA

in backward districts or North-Eastern States can also be considered.

Which of the statements is/are correct?

(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2013

45. Identify the correct statement regarding the electrification drive initiated from August 2015.

(A) The strategy excluded the involvement of Central Public Sector Undertakings (CPSUs).
(B) Identification of villages was done using the Census 2001 Code.
(C) The GARV App was launched to capture near real-time progress.
(D) The central government decided to fully bypass district and local administrations.

May/June 2021

46. Identify the correct statement regarding the nodal division concerned with policy and program implementation for Agricultural Marketing Reforms.

(A) It is the specialized Marketing Division within the Department of Posts.
(B) It is the Marketing Division of the DAC&FW.
(C) It is the Rural Mission under the Ministry of Rural Development.
(D) It is the Logistics Division under the administrative control of the Ministry of Commerce.

Oct/Nov 2005

47. Match the events or schemes in List I with their corresponding years or dates in List II.

List I: Events/Schemes

P. RGGVY launched
Q. DDUGJY launched
R. Prime Minister's pledge for electrifying un-electrified villages in 1000 days
S. Electrification of all un-electrified census inhabited villages achieved

List II: Years/Dates

1. December 2014
2. 15th August 2015
3. 28th April 2018
4. 2005

(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-4, R-3, S-2
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-3, R-4, S-1

May/June 2007

48. Consider the following statements about the Marketing Research and Information Network (MRIN) Scheme:

I It was launched as a Central Sector Scheme in March 2000.
II It disseminates information on wholesale prices and arrivals for over 300 commodities.
III About 3245 markets across the country were covered under the project as on 31 March 2015.
IV Information is available strictly on a monthly basis to prevent market volatility.

Which combination of statements is correct?

(A) (I), (II), and (III)
(B) (I), (III), and (IV)
(C) (II), (III), and (IV)
(D) (I), (II), and (IV)

Oct/Nov 2016

49. Identify the incorrect statement regarding the rankings of States under the NITI Aayog's index in the year 2016–17.

(A) Major States like U.P., Punjab, and West Bengal achieved scores well above the halfway mark of 50.
(B) Maharashtra ranks highest in the implementation of various agricultural reforms.
(C) Gujarat ranks second with a score of 71.50 out of 100.
(D) Almost two-third States have not been able to reach even the halfway mark of reforms score.

May/June 2024

50. A state agricultural board is integrating its mandis with a pan-India electronic trading portal to create a barrier-free market. Which platform, launched in April 2016, serves this purpose and which entity acts as its Lead Promoter?

(A) AGMARKNET, promoted by NITI Aayog
(B) ISAM, promoted by NABARD
(C) e-NAM, promoted by SFAC
(D) MRIN, promoted by NIAM

Oct/Nov 2009

51. Which of the following is NOT an element of the strategy and approach adopted by the Ministry

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and the nodal agency (REC) for accelerating electrification progress?
(A) Proper identification of villages with Census 2011 Code
(B) Web-enabled platform to capture near real-time progress
(C) Strengthening of field level team with modern technology
(D) Complete reliance on international contractors for field level execution

May/June 2019

52. Which of the following is NOT a stated objective or component of the Agricultural Marketing Infrastructure (AMI) sub-scheme?
(A) Storage Infrastructure
(B) Marketing Infrastructure other than Storage
(C) Creation of scientific storage capacity
(D) Regulation of wholesale prices for industrial goods

Oct/Nov 2011

53. An entrepreneur wishes to set up an agribusiness project in a backward district and requires financial assistance to meet the shortfall in capital. Which specific facility provides an interest-free soft loan to supplement this financial gap?
(A) Marketing Research and Information Network (MRIN)
(B) National Infrastructure Pipeline (NIP)
(C) Venture Capital Assistance (VCA) provided by SFAC
(D) Pradhan Mantri Gram Sadak Yojana (PMGSY)

May/June 2005

54. Arrange the following schemes or acts in the chronological order of their launch or enactment:
I Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)
II Marketing Research and Information Network (MRIN) Scheme
III Agricultural Produce (Grading and Marking) Act
IV National Institute of Agricultural Marketing (NIAM) setup
(A) (III), (IV), (II), (I)
(B) (III), (II), (IV), (I)
(C) (IV), (III), (I), (II)
(D) (I), (II), (III), (IV)

Oct/Nov 2022

55. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Farmer Producer Organizations (FPOs) can act as an aggregator for their members and sell through e-trading as one or multiple lots on the e-NAM platform.
Reason (R): The e-NAM platform allows direct payment to the FPO's bank account, enabling the FPO to distribute the payment among its members.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

NODIA

May/June 2013

56. A policy researcher is evaluating the integration of Central Sector Schemes implemented during the XII Plan. On what date did the new Integrated Scheme for Agricultural Marketing (ISAM) become effective?
(A) 1 April 2013
(B) 1 April 2014
(C) 1 April 2015
(D) 1 April 2016

Oct/Nov 2018

57. A state power distribution company requires funding to implement DDUGJY in its jurisdiction. According to the scheme's funding pattern, what percentage of the project cost is provided as a grant by the central government, and what percentage must the company raise?
(A) 50% grant, 20% raised by the company
(B) 60% grant, 10% raised by the company
(C) 70% grant, 15% raised by the company
(D) 80% grant, 5% raised by the company

May/June 2025

58. Identify the correct pair regarding the legislation governing the grading and marking of agricultural produce.
(A) Agricultural Produce (Grading and Marking) Act, 1937 - Amended in 1986
(B) APMC Act, 2017 - Amended in 1986
(C) Right to Education Act, 2009 - Amended in

2014
(D) Electricity Act, 2003 - Amended in 2006

Oct/Nov 2007

59. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Under the Electricity Act, 2003, the central and state governments have the joint responsibility of providing electricity to rural areas.
Reason (R): The 2003 Act mandates that the central government should independently formulate and implement the Rural Electrification Policy without state consultation.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2011

60. When and where was the Chaudhary Charan Singh National Institute of Agricultural Marketing (NIAM) set up?
(A) March 2000, New Delhi
(B) August 1988, Jaipur
(C) April 2014, Nagpur
(D) May 2013, Mumbai

Oct/Nov 2020

61. Identify the incorrect statement regarding the availability of drinking water on the basis of Census 2001–2011.
(A) Consumption of well water has diminished by 40%.
(B) 35% of rural households have access to drinking water within their premises.
(C) 52.1% of rural households have access to drinking water away from the premises.
(D) 42.9% of rural households have access to drinking water near the premises.

May/June 2016

62. Match the infrastructure facility in List I with its minimum requirement as prescribed by CBSE in List II.
List I: Infrastructure Facility
P. Science labs composite size
Q. Safe drinking water tank capacity
R. Minimum books in the library
S. Computer student ratio
List II: Minimum Requirement
1. 1500
2. 1:20
3. 500 ltrs. for every 100 children
4. 9m × 6m each
(A) P-4, Q-3, R-1, S-2
(B) P-3, Q-4, R-2, S-1
(C) P-4, Q-1, R-3, S-2
(D) P-1, Q-3, R-4, S-2

Oct/Nov 2014

63. What is the explicit target of the government under the National Digital Literacy mission regarding rural digital literacy?
(A) To make 10 million rural people digitally literate in a period of one year
(B) To make 60 million rural people digitally literate in a period of three years
(C) To make 100 million rural people digitally literate in a period of five years
(D) To make every individual in rural India digitally literate by 2025

May/June 2022

64. Who among the following stakeholders specifically need access to good quality and reliable infrastructure for their development?
(A) Large scale multinational corporations
(B) Urban metropolitan authorities
(C) Small and tiny businesses and enterprises
(D) International shipping conglomerates

Oct/Nov 2017

65. Under the PMKSY scheme, the Ministry of Agriculture promotes efficient water conveyance and precision water application devices like drips, sprinklers, and rain-guns on the farm. What is the specific term used to define this component?
(A) Per Drop More Crop
(B) Har Khet Ko Pani
(C) Jal Sinchan
(D) Watershed Development

May/June 2008

66. Match the time period in List I with the corresponding growth or decline percentage of India's core sectors in List II.
List I: Time Period

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P. July 2021 core sector growth
Q. June 2021 infrastructure sector expansion
R. April-July 2021-22 sector growth compared to previous year
S. Crude oil production drop in July 2021

List II: Percentage
1. 9.3%
2. 3.2%
3. 9.4%
4. 21.2%

(A) P-3, Q-1, R-4, S-2
(B) P-1, Q-3, R-2, S-4
(C) P-4, Q-2, R-1, S-3
(D) P-3, Q-4, R-1, S-2

Oct/Nov 2023

67. What is the fundamental concept behind the Digital India program in rural areas?
(A) To replace all physical banking infrastructure with specialized online-only branches
(B) To restrict internet connectivity to gram panchayats only
(C) To bridge the rural-urban digital divide through focused initiatives and service access
(D) To centralize all manufacturing of electronic goods strictly in urban areas

May/June 2012

68. A school management committee in a rural area is upgrading its facilities to seek affiliation with the Central Board of Secondary Education (CBSE). They plan to build a computer lab. What is the minimum requirement prescribed by CBSE for the computer lab?
(A) At least 5 computers or a computer-student ratio of 1:30
(B) At least 10 computers or a 1:20 ratio with internet connectivity
(C) At least 15 computers without specific student ratio or internet requirements
(D) At least 20 computers or a computer-student ratio of 1:10

Oct/Nov 2006

69. Identify the program designed to enhance utilization of irrigation potential and improve agricultural productivity through an integrated approach involving a multidisciplinary team.
(A) Command Area Development (CAD)
(B) Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)
(C) National Infrastructure Pipeline (NIP)
(D) Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

May/June 2023

70. An agricultural planner wants to introduce water-saving technologies and enhance the recharge of aquifers at the field level. Which major scheme, launched in July 2015, has the objective to achieve this convergence of investments in irrigation?
(A) Pradhan Mantri Gram Sadak Yojana (PMGSY)
(B) Integrated Scheme for Agricultural Marketing (ISAM)
(C) Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)
(D) Command Area Development (CAD) Program

Oct/Nov 2019

71. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Ministry of Railways has programmed to monetize assets including station redevelopment.
Reason (R): The monetization of these assets is planned exclusively through direct government funding without private sector involvement.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2018

72. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Housing alone cannot support sustainable rural development.
Reason (R): Sustainable rural development requires support by basic amenities like safe drinking water, sanitation, and efforts to keep environments clean.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2015

73. Identify the correct statement regarding the library requirements prescribed by the Central Board of Secondary Education.
(A) The library must have a minimum of 1000 books and at least 10 magazines.
(B) The library must have a minimum of 1500 books and at least 15 magazines.
(C) The library must have a minimum of 2000 books and at least 20 magazines.
(D) The library must have a minimum of 500 books with no requirement for magazines.

May/June 2015

74. Consider the following components regarding the program architecture of PMKSY:
I District Irrigation Plan (DIP)
II State Irrigation Plan (SIP)
III Inter-Ministerial National Steering Committee (NSC) chaired by the Prime Minister
IV National Executive Committee (NEC) chaired by the Vice Chairman, NITI Aayog
Which combination correctly reflects the PMKSY architecture elements?
(A) (I), (II), and (III) and (IV)
(B) (I), (II), and (III) only
(C) (II), (III), and (IV) only
(D) (I), (III), and (IV) only

Oct/Nov 2021

75. A market analyst observes that India's core sector growth experienced a 7.6% decline in the year-ago month before rising by 9.4% in July 2021. What was the primary reason attributed to this earlier decline?
(A) A sudden drop in global oil prices
(B) The implementation of the Model APMC Act 2017
(C) Transition to renewable energy sources
(D) The impact of Covid-19 related restrictions

May/June 2020

76. Consider the following statements regarding the Bharat Net Program:
I It is aimed at establishing a high-speed digital highway to connect all 2,50,000-gram panchayats.
II It operates entirely independently of the Digital India initiative.
Which of the statements is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2010

77. Which of the following best describes the core guarantee provided by the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)?
(A) Giving 150 days of guaranteed wage employment to all skilled labourers in rural and urban regions.
(B) Providing a fixed monthly unemployment allowance to all rural households unconditionally.
(C) Guaranteeing 100 days of employment specifically in agricultural harvesting.
(D) Giving at least 100 days of guaranteed unskilled wage employment per household per year.

May/June 2006

78. Match the location of access to drinking water for rural households in List I with the corresponding percentage in List II based on Census 2001–2011 data.
List I: Location of Access
P. Within their premises
Q. Near the premises
R. Away from the premises
List II: Percentage
1. 22.1%
2. 35%
3. 42.9%
4. 40%
(A) P-2, Q-3, R-1
(B) P-3, Q-2, R-1
(C) P-2, Q-4, R-3
(D) P-4, Q-3, R-1

Oct/Nov 2012

79. Conceptually, how does India's New Education Policy (NEP) 2020 approach the physical environment of schools?
(A) It mandates the transition of all schools to a completely digital, online-only learning

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model.
(B) It ensures adequate, safe infrastructure for inclusive and effective learning environments.
(C) It removes all physical infrastructure requirements for schools located in remote rural areas.
(D) It focuses on higher education institutions while leaving primary school infrastructure to state discretion.

May/June 2017

80. What is the denominator of the percentage of children in the age group of 6–14 is enrolled in schools, highlighting the rising number of rural students attending schools?
(A) 76%
(B) 86%
(C) 96%
(D) 100%

Oct/Nov 2008

81. Consider the following statements regarding the Indian construction equipment market:
I It had a turnover of US$ 6.5 billion during 2020.
II This turnover was achieved despite the pandemic.
III The government's vision plan 2030 proposed an action plan for this sector.
IV The goal is to become a manufacturing and export hub for construction equipment.
V It aims to propel the development of world-class infrastructure in the country.
Which combination of statements is correct?
(A) (I), (II), (III), and (IV) only
(B) (II), (III), (IV), and (V) only
(C) (I), (III), (IV), and (V) only
(D) (I), (II), (III), (IV), and (V)

May/June 2014

82. Identify the correct statement based on the decade analysis (Census 2001 to 2011) of safe drinking water sources in India.
(A) Tap water as a source of drinking water attained growth from 24.3% to 30.8%.
(B) Tap water as a source of drinking water declined from 30.8% to 24.3%.
(C) Hand pumps entirely replaced tube wells in rural areas by 2011.
(D) Untreated sources of water usage grew by 40%.

Oct/Nov 2025

83. Which of the following Ministries is NOT designated to implement the PMKSY scheme?
(A) Ministry of Agriculture
(B) Ministry of Water Resources
(C) Ministry of Rural Development
(D) Ministry of Heavy Industries

May/June 2009

84. Which scheme of the Government of India is specifically designed to invest in rural electrification and provide continuous electricity supply to rural India?
(A) PMGSY
(B) RGGVY
(C) DDUGJY
(D) PMANSY

Oct/Nov 2011

85. Identify the incorrect statement regarding the minimum infrastructure required in a school as prescribed by the Central Board of Secondary Education.
(A) The school must have about 2 acres or as otherwise permitted measurement of land.
(B) A building must be constructed on a part of land and a proper playground on the remaining land.
(C) It should provide a minimum floor space of 2 sq. mtr. per student in the class.
(D) The school should have a well-equipped and spacious library.

May/June 2010

86. Consider the following statements regarding the initiative to digitally connect rural post offices:
I The plan digitally connects all rural post offices and 'gramin dak sewak' post offices.
II The Government approved the Department of Posts' modernization Project with a total outlay of ₹4,909 crore.
III The primary aim is to restrict e-commerce activities in rural areas to promote local physical markets.
Which combination of statements is correct?
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

Oct/Nov 2024

87. Conceptually, infrastructural facilities like power, transport, communication, banking

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finance, health, and educational facilities are broadly covered under which of the following umbrellas?
(A) Tactical and strategic overheads
(B) Economic and social overheads
(C) Direct production inputs
(D) Variable operational expenditures

May/June 2017

88. Consider the following schemes that were amalgamated to conceive the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY):
I Accelerated Irrigation Benefit Program (AIBP)
II Integrated Watershed Management Program (IWMP)
III On Farm Water Management (OFWM)
IV Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)
Which combination identifies the correct ongoing schemes that were amalgamated?
(A) (I), (II), and (III)
(B) (I), (III), and (IV)
(C) (II), (III), and (IV)
(D) (I), (II), and (IV)

Oct/Nov 2005

89. Which of the following defines a certification mark employed on agricultural products, assuring that they conform to a set of standards?
(A) e-NAM
(B) AGMARK
(C) ISAM
(D) LPI

May/June 2020

90. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The foundation to turn India into a strong nation has to be laid down at primary and rural levels.
Reason (R): The Right to Education Act passed in 2009 made education a fundamental right of every Indian citizen.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2015

91. What is the most appropriate description of the paradigm shift marked by the implementation of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)?
(A) It shifted the focus from demand-driven employment to a strictly supply-driven mandate.
(B) It introduced a demand-driven and self-selecting program for rural employment opportunities.
(C) It eliminated manual work in favour of mechanized agricultural labour.
(D) It transferred the responsibility of rural employment entirely to private corporations.

May/June 2013

92. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Centre has asked States to modify their APMC Acts to have a single licence and single point of levy of market fee at the State and national level.
Reason (R): The idea is to remove disincentives for farmers and traders to trade across the country, saving them money and facilitating integration on e-NAM.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2021

93. Which of the following is NOT true regarding the National Infrastructure Pipeline (NIP)?
(A) The government expanded it to 7,400 projects.
(B) 217 projects worth ₹1.10 lakh crore were completed as of 2020.
(C) The NIP strictly prohibits investments in the rural electrification sector.
(D) The government invested US$1.4 trillion in infrastructure development as of July 2021.

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May/June 2024

94. Match the data points related to the provision of drinking water in rural India in List I with the corresponding percentages in List II.

List I: Drinking Water Data

P. Tap water growth in 2011

Q. Well water diminution

R. Access to drinking water within premises

S. Access to drinking water near premises

List II: Percentage

1. 35%
2. 42.9%
3. 30.8%
4. 40%

(A) P-3, Q-4, R-1, S-2

(B) P-4, Q-3, R-2, S-1

(C) P-3, Q-1, R-4, S-2

(D) P-1, Q-2, R-3, S-4

Oct/Nov 2008

95. Identify the correct statement regarding the erstwhile schemes that were subsumed into the AMI sub-scheme.

(A) MRIN/SAGF

(B) GBY and AMIGS were subsumed into the AMI sub-scheme.

(C) The VCA and PDF facilities were integrated into the AMI sub-scheme.

(D) NIAM was subsumed into the AMI sub-scheme.

May/June 2006

96. In the context of rural education, India has the second largest education system in the world. What demographic age group is specifically noted as having a 96% enrollment rate in schools?

(A) 3–8 years

(B) 6–14 years

(C) 14–18 years

(D) 18–21 years

Oct/Nov 2017

97. Identify the incorrect statement regarding the National Bank for Financing Infrastructure and Development (NaBFID).

(A) A bill was passed by Parliament to set it up.

(B) It is designed to fund infrastructure projects.

(C) It was introduced in Parliament in March 2021.

(D) It replaces the Central Bank of India as the regulator of all commercial banks.

May/June 2008

98. An agribusiness promoter seeks Venture Capital Assistance (VCA) from SFAC. Which of the following conditions must the proposed project satisfy to qualify for this assistance?

(A) The project should be accepted by the notified FIs for grant of term loan.

(B) The project must be entirely funded by foreign direct investment.

(C) The project should provide an assured market strictly for international consumers.

(D) The project must focus exclusively on non-agricultural manufacturing.

Oct/Nov 2013

99. Conceptually, why does the DDUGJY scheme emphasize the separation of agricultural and non-agricultural electricity feeders?

(A) To prevent agricultural users from paying any electricity tariffs

(B) To improve the supply for consumers in rural areas by managing loads distinctly

(C) To physically separate the billing departments within the power distribution companies

(D) To ensure non-agricultural users receive subsidized power meant for farmers

May/June 2015

100. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).

Assertion (A): Road construction and maintenance generate sizeable employment opportunities.

Reason (R): This factor has assumed considerable importance due to demographic expansion and the growth of the labour force.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

(C) Assertion (A) is true, but Reason (R) is false.

(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2012

101. Consider the following infrastructure requirements prescribed by CBSE for schools:

I Adequate facilities should be provided for recreational activities and physical

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education.
II Science labs composite for secondary or separate physics, chemistry, biology labs for senior secondary should be available.
III The minimum size of the science labs should be 9 m × 6 m each.
IV A separate toilet block for boys and for girls is to be installed, including a closed container for the disposal of sanitary napkins in each cubicle for girls.

Which combination of statements is correct?
(A) (I), (II), and (III) only
(B) (II), (III), and (IV) only
(C) (I), (III), and (IV) only
(D) (I), (II), and (III), and (IV)

May/June 2011

102. Consider the following statements about the impact of laying roads under PMGSY:
I It allows producers of perishable produce to sell to a wider base of consumers in nearby towns.
II It enables companies to distribute products through rural retail stores effectively.
III It leads to less efficient supply chains but higher inventory costs for businesses.

Which combination of statements is correct?
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

Oct/Nov 2020

103. Consider the following data regarding the current reach of the e-NAM network:
I 1000 markets are linked to the e-NAM network.
II The linked markets span across 18 states.
III The linked markets cover 3 union territories.
IV 1971 FPOs have been onboarded on the e-NAM platform.
V The platform provides a personalized dashboard and real-time information.

Which combination of statements is correct?
(A) (I), (II), and (IV) only
(B) (I), (III), and (IV) only
(C) (II), (III), and (IV) only
(D) (I), (II), (III), (IV), and (V)

May/June 2022

104. A farmer wants to check mandi price information directly on his television. Which channel is specifically utilized to disseminate this mandi price information?
(A) DD National
(B) Lok Sabha TV
(C) Rajya Sabha TV
(D) DD Kisan

Oct/Nov 2023

105. Identify the incorrect statement regarding the administrative committees overseeing PMKSY.
(A) The State Level Sanctioning Committee (SLSC) is chaired by the Chief Secretary of the State.
(B) The National Steering Committee (NSC) is chaired by the Prime Minister.
(C) The SLSC is vested with the authority to oversee implementation but cannot sanction projects.
(D) The National Executive Committee (NEC) is constituted under the Chairmanship of the Vice Chairman, NITI Aayog.

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May/June 2016

106. The Ministry of New and Renewable Energy aims to encourage rooftop solar (RTS) notably in rural regions. What specific capacity is targeted in the residential sector by 2022 under Phase II of this program?
(A) 1,000 MW
(B) 2,000 MW
(C) 4,000 MW
(D) 8,000 MW

Oct/Nov 2014

107. The next generation network project of BSNL is expected to contribute to the modernization of telecom infrastructure in rural areas. What specific plan under this project is highlighted to accelerate the provision of broadband connectivity?
(A) Setting up Wi-Fi hotspots all over the country
(B) Distributing free smartphones to all rural households
(C) Constructing new television broadcasting towers in every village
(D) Replacing all mobile networks with wired landlines

May/June 2023

108. Consider the following works permitted under the modified Schedule I of MGNREGA:

I Public Works relating to National Resources Management
II Tree plantation in road margins
III Horticulture in road margins
IV Providing all-weather rural road connectivity to unconnected villages
V Construction of pucca internal roads including side drains and culverts

Which of these works are included in the expanded list?
(A) (I), (II), [IV], and (V) only
(B) (II), (III), (IV), and (V) only
(C) (I), (III), (IV), and (V) only
(D) (I), (II), (III), (IV), and (V)

Oct/Nov 2018

109. Identify the incorrect pair concerning the rankings and scores on NITI Aayog's 'Agriculture Marketing and Farmer Friendly Reforms Index'.
(A) Maharashtra - Ranks highest in implementation
(B) Gujarat - Ranks second with a score of 71.50
(C) Madhya Pradesh - Closely follows Gujarat and Rajasthan
(D) Assam - Achieved a perfect score of 100

May/June 2007

110. Identify the incorrect statement regarding the infrastructure supporting the AGMARK scheme.
(A) It involves framing of grades, standards and certification of agricultural commodities.
(B) The scheme meets the expenditure for purchase of equipment, chemicals, and glassware.
(C) There are 25 Regional AGMARK Laboratories across the country supporting this scheme.
(D) A Central AGMARK Laboratory is located in Nagpur.

Oct/Nov 2025

111. What is the most appropriate minimum requirement for books in a school library as prescribed by the Central Board of Secondary Education for rural schools?
(A) Minimum of 500 books and at least 5 magazines
(B) Minimum of 1000 books and at least 10 magazines
(C) Minimum of 1500 books and at least 15 magazines
(D) Minimum of 2000 books and at least 20 magazines

May/June 2012

112. A FMCG company previously found rural retail stores unviable due to high replenishment costs. With the establishment of motorable roads under recent schemes, what direct operational benefit does the company experience?
(A) Complete elimination of taxation on agricultural products
(B) More efficient supply chains and lower inventory costs
(C) An increase in the statutory minimum wage for retail workers
(D) The ability to mandate contract farming in the connected villages

Oct/Nov 2009

113. Conceptually, why does the agriculture sector need reforms to have competitive and well-functioning markets?
(A) To increase the number of intermediaries in the supply chain
(B) To centralize all agricultural production under state control
(C) To remove restrictive and monopolistic practices of the present marketing system
(D) To ensure that farmers only sell to village moneylenders

May/June 2019

114. Identify the correct statement regarding the monitoring mechanism introduced to accelerate rural electrification progress.
(A) The Ministry relied solely on self-reporting by state governments via postal mail.
(B) A web-enabled platform named 'GARV App' was utilized to capture near real-time progress.
(C) The monitoring was strictly limited to financial audits conducted once a year.
(D) The 'Kisan Suvidha' app was repurposed to monitor village electrification.

Oct/Nov 2006

115. Which of the following is NOT an objective of the scheme implemented by SFAC?
(A) To facilitate setting up of agribusiness ventures in close association with notified institutions
(B) To catalyze private investment in setting up

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of agribusiness projects
(C) To arrange training and visits of agri-preneurs in setting up identified agribusiness projects
(D) To provide 100% free capital to large multi-national agricultural corporations

May/June 2021

116. Match the rural road scheme or initiative in List I with its core objective or characteristic in List II.

List I: Scheme/Initiative
P. Minimum Needs Program (MNP)
Q. PMGSY
R. PMGSY-II
S. MGNREGA Schedule I

List II: Objective/Characteristic
1. Consolidate the existing rural road network
2. Includes tree plantation and horticulture in road margins
3. Provide all-weather road connectivity to unconnected habitations
4. Funding road construction to link villages with urban centres

(A) P-4, Q-3, R-1, S-2
(B) P-3, Q-4, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-4, Q-1, R-3, S-2

Oct/Nov 2010

117. Consider the following statements regarding the programmatic structure of PMKSY:
I It adopts a 'decentralized State level planning and projectized execution' structure.
II It prohibits states from drawing up their own irrigation development plans.
Which of the statements is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2005

118. Which entity has been mandated by the DAC&FW to act as the Lead Promoter of the National Agriculture Market (NAM)?
(A) National Institute of Agricultural Marketing (NIAM)
(B) National Bank for Agriculture and Rural Development (NABARD)
(C) Central Water Commission (CWC)
(D) Small Farmers' Agribusiness Consortium (SFAC)

Oct/Nov 2022

119. An FPO uses the e-NAM platform to sell its members' produce. According to the benefits outlined for FPOs onboarded on e-NAM, how is the payment handled?
(A) It is done directly to the FPO/FPCs bank account, from which they distribute among members.
(B) It is paid in cash through the APMC mandal head.
(C) It is held in escrow by the Central Government for one financial year.
(D) It is distributed directly by the buyer to individual farmers, bypassing the FPO entirely.

May/June 2018

120. Match the agricultural marketing schemes or entities in List I with their respective descriptions in List II.

List I: Scheme/Entity
P. e-NAM
Q. NIAM
R. AGMARKNET
S. SFAC

List II: Description
1. A premier National level Institute for specialized Training, Research and Education
2. A portal for dissemination of market data including wholesale prices and arrivals
3. A pan India electronic trading portal launched in April 2016
4. Provides Venture Capital Assistance (VCA) for agribusinesses

(A) P-3, Q-1, R-2, S-4
(B) P-2, Q-1, R-3, S-4
(C) P-3, Q-4, R-1, S-2
(D) P-1, Q-2, R-4, S-3

Oct/Nov 2016

121. Which of the following statements correctly describes the objectives of the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)?
(A) It provides for the construction of all-weather rural roads to unconnected village habitations.
(B) It is a nationwide online trading platform for all major agricultural commodities in India.

NODIA

(C) It is a government program to establish high-speed Wi-Fi hotspots in rural post offices.
(D) It aims for investment convergence in irrigation and expanding cultivable areas.

May/June 2014

122. Which of the following is NOT explicitly mentioned as being broadly covered under infrastructural facilities?
(A) Power and transport
(B) Communication and banking finance
(C) Space exploration and deep-sea mining equipment
(D) Insurance and social overheads like health and educational facilities

Oct/Nov 2007

123. A policy student is reviewing government initiatives aimed at boosting the country's logistics sector performance. Which project is specifically identified as a program initiative by the government to enhance the performance of the country's logistics sector?
(A) Bharatmala Pariyojana
(B) National Infrastructure Pipeline
(C) Sagarmala Project
(D) Pradhan Mantri Gram Sadak Yojana

May/June 2025

124. Arrange the following policies or acts in the chronological order of their respective years of enactment or launch:
I Electricity Act
II Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)
III Right to Education Act
IV Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)
(A) (I), (II), (III), (IV)
(B) (II), (I), (III), (IV)
(C) (I), (III), (II), (IV)
(D) (III), (I), (II), (IV)

Oct/Nov 2019

125. Match the keywords in List I with their accurate definitions in List II.
List I: Keywords
P. National Agriculture Market
Q. National Infrastructure Pipeline
R. National Institute of Agricultural Marketing
S. Pradhan Mantri Gram Sadak Yojana

List II: Definitions
1. Government exercise to provide world class infrastructure covering the period 2019-24
2. Nationwide scheme implemented to provide good all-weather road connectivity
3. Premier National level Institute set up by the government to offer specialized training
4. An online trading platform for agricultural commodities

(A) P-4, Q-1, R-3, S-2
(B) P-1, Q-2, R-4, S-3
(C) P-4, Q-3, R-1, S-2
(D) P-3, Q-1, R-2, S-4

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ANSWERS

1. (B) 44th
The World Bank releases the Logistics Performance Index to evaluate the trade logistics efficiency of various countries. In the 2018 report, India achieved the forty-fourth rank among one hundred and sixty nations. This index considers several parameters such as customs performance, infrastructure quality, and the ease of arranging shipments to determine overall global logistics competitiveness and trade potential.

2. (C) To fund infrastructure projects as a development financial institution
The National Bank for Financing Infrastructure and Development was established as a principal development financial institution. Its primary mandate involves providing long-term finance for infrastructure projects across the country. By addressing the gap in long-term debt financing, this institution supports large-scale developmental initiatives and enhances the overall economic growth and sustainable development of the nation's critical infrastructure sector.

3. (C) Ministry of Rural Development
The Ministry of Rural Development serves as the apex body for creating and overseeing policies that drive the growth of the rural sector. It is responsible for formulating regulations and implementing various acts aimed at improving infrastructure, housing, and employment. Through its initiatives, the ministry focuses on poverty alleviation and sustainable livelihoods for the rural population across the country.

4. (B) 500 in plains, 250 in hill states
The Pradhan Mantri Gram Sadak Yojana is a nationwide program aimed at providing reliable all-weather road connectivity. The scheme uses specific population thresholds based on the 2001 Census to identify eligible habitations. In the plains, the minimum criteria is five hundred persons. For hill states, tribal areas, and desert regions, the connectivity is extended to habitations with two hundred fifty persons.

5. (A) (I), (II), and (III)
The 2021 budget highlights major infrastructure commitments across various sectors. The Ministry of Road Transport and Highways initiated over one thousand kilometers of projects under the Bharatmala Pariyojana. Additionally, significant funding was secured for dam safety through the World Bank. The Economic Importance and Inter State Connectivity Scheme received specific allocations to strengthen regional road networks and transport efficiency for states.

6. (C) Both (I) and (II)
The Mahatma Gandhi National Rural Employment Guarantee Scheme was implemented in early 2006 to provide a legal right to work. It operates as a demand-driven program that targets rural households seeking unskilled labor. By law, the scheme guarantees a minimum of one hundred days of paid employment each financial year, ensuring basic economic security and livelihood support in rural regions.

7. (B) Economic and social overheads
Essential facilities like power, transport, banking, and education are categorized as economic and social overheads. These services are prerequisites for industrial and agricultural production as they create the environment necessary for economic activity. While economic overheads focus on physical infrastructure like roads and electricity, social overheads involve human capital development through health and educational services for the overall population.

8. (B) Sagarmala project
The government aims to modernize and expand the nation's port infrastructure through the Sagarmala project. This comprehensive maritime development initiative involves five hundred and seventy-four projects with a projected investment of eighty-two billion dollars. By focusing on port-led development and improving coastal logistics, the scheme seeks to facilitate seamless maritime trade and enhance economic growth until the target year 2035.

NODIA

9. (B) National highways, State highways, Major District Roads, and Rural roads
The road network in India is categorized into distinct classes based on administrative and functional roles. This hierarchy includes national highways for interstate connectivity and state highways for regional movement. Major district roads connect administrative centers within a district, while rural roads provide essential access to isolated habitations. This classification helps in systematic planning, funding, and maintenance of the transport infrastructure.

10. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Strategic government spending of one point four trillion dollars between 2019 and 2023 demonstrates a massive commitment to infrastructure development. These substantial investments are vital for fostering sustainable economic progress and achieving an economic miracle. Therefore, the necessity of infrastructure for long-term growth directly supports the government's decision to prioritize this sector as a primary focus area for national investment.

11. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Small farmers frequently face financial pressure, forcing them to sell their produce at low prices immediately after harvest. This distress sale is often caused by an urgent need for cash to repay loans taken from moneylenders. Furthermore, the lack of adequate and modern storage facilities prevents these farmers from holding their stock until market prices improve, exacerbating their economic vulnerability.

12. (C) Farmers and casual wage workers account for roughly 90% of the working population.
Rural areas in India rely heavily on manual labor and agricultural activities for sustenance. Data regarding the working population reveals that farmers and casual wage workers constitute the vast majority of laborers in these regions. Specifically, approximately ninety percent of the rural workforce is engaged in these occupations, highlighting the critical role of agriculture and wage-based employment in the village economy.

13. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The Ministry of Power established an expert committee involving members from NITI Aayog and state governments to address electricity requirements. This move aligns with the goals of the National Electricity Policy 2021. The committee was formed to provide recommendations on policy frameworks that ensure efficient power distribution and generation, reflecting the collaborative effort between central and state authorities in energy management.

14. (A) P-4, Q-1, R-2, S-3
Various government initiatives have specific financial allocations and targets. The Bharatmala road projects are linked to a significant investment of over twenty-five thousand crore. The Inter State Connectivity Scheme received an allocation of one hundred sixty-five crore for the financial year 2022. Additionally, funds were earmarked for incubating new cities and establishing specialized plants for ethanol and compressed biogas production.

15. (D) It includes constructing pucca internal roads without side drains or culverts.
The Mahatma Gandhi National Rural Employment Guarantee Act focuses on creating durable assets in rural areas. Permissible works include natural resource management, extensive tree plantation, and horticulture along road margins. While the construction of pucca internal roads is allowed, these projects must specifically include necessary side drains and culverts to ensure proper drainage and long-term durability of the village road infrastructure.

16. (A) By enhancing productivity and assisting in the realization of potential ability
Infrastructure acts as a catalyst for human capital development by providing the tools and environment necessary for growth. Reliable transportation, power, and communication enable individuals to work more efficiently and access educational resources. By improving general health and connectivity, physical infrastructure helps workers realize their potential, leading to higher productivity and better economic outcomes for the entire community and nation.

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17. (A) PMGSY-II
Launched in May 2013, the second phase of the Pradhan Mantri Gram Sadak Yojana focuses on consolidating the existing rural road network. This initiative aims to upgrade selected routes that have the potential to connect rural growth centers, schools, hospitals, and tourist destinations. By improving major rural links, the scheme enhances the overall efficiency of the rural transport system and markets.

18. (C) Both (I) and (II)
The Union Budget 2021 prioritized the infrastructure sector with significant capital allocations and project expansions. The government set aside over two lakh crore for transport infrastructure to improve connectivity across the nation. Furthermore, the National Infrastructure Pipeline was expanded to include seven thousand four hundred projects. These measures are designed to stimulate economic activity and build world-class infrastructure through systematic planning.

19. (D) They are managed under the PM Aatmanirbhar Swasth Bharat Yojana (PMANSY).
The government introduced specialized health infrastructure interventions to strengthen the nation's healthcare system. These initiatives are managed under the PM Aatmanirbhar Swasth Bharat Yojana, which focuses on developing capacities in primary, secondary, and tertiary care. The program aims to build robust health systems, enhance disease surveillance, and create modern health laboratories, ensuring better preparedness for future public health challenges across both rural and urban areas.

20. (A) Ministry of Railways - Sagarmala project
The Sagarmala project is a flagship initiative focused on port-led development and is managed by the Ministry of Ports, Shipping and Waterways rather than the Ministry of Railways. Other government interventions are correctly paired, such as the Logistics Division managing Freight Smart Cities and the Ministry of Power establishing committees for electricity policy. This distinction highlights the specific administrative responsibilities for infrastructure.

21. (C) Export directly to international agricultural exchanges
Farmers in India traditionally have limited choices for selling their produce. They often sell to village traders and moneylenders to settle debts or trade in local village markets called hats. Another common method is taking produce to designated mandis for sale. However, exporting directly to international agricultural exchanges is not a traditional option for most farmers due to logistics and regulatory barriers.

22. (B) ₹1,23,018 crore
The Union Budget for 2021-22 reflected a strong emphasis on the agricultural sector through significant financial commitments. The Department of Agriculture, Cooperation and Farmers' Welfare was allocated approximately one lakh twenty-three thousand and eighteen crore. This funding is intended to support various schemes, modernize agricultural infrastructure, and ensure the welfare of farmers through targeted interventions and improved access to resources.

23. (D) Infrastructure sectors contracted by 9.3% in June 2021.
Economic data for July 2021 indicates strong growth in the core sectors, which include coal, natural gas, and refinery products. While crude oil production experienced a slight decline, the overall core sector rose by nine point four percent. Contrary to the idea of contraction, the infrastructure sectors actually expanded by nine point three percent in June 2021, showing a recovery trend.

24. (D) Freight Smart Cities Program
Rural roads in India have been traditionally developed through several targeted programs. The Minimum Needs Program and the Rural Landless Employment Guarantee Program were instrumental in building rural connectivity. The Command Area Development Program also contributed to infrastructure in agricultural zones. However, the Freight Smart Cities Program is a modern initiative focused on urban logistics and is not a traditional rural road scheme.

25. (B) Existing dams across various states
The Ministry of Railways has identified various assets for monetization to generate revenue for

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future development. These assets include the Eastern and Western Dedicated Freight Corridors and the redevelopment of stations through public-private partnerships. Hill railways and stadiums are also part of this plan. However, existing dams are under the jurisdiction of water resource departments and are not part of railway asset monetization.

26. (D) Telecommunication
Growth in rural productivity is often hindered by the lack of basic physical infrastructure. Insufficient access to electricity, clean drinking water, and proper sanitation are primary obstacles that affect the health and efficiency of the rural workforce. While telecommunication is important for modern connectivity, it is not traditionally listed alongside these foundational physical requirements as a primary barrier to basic agricultural and rural production.

27. (A) (I) and (II) only
The Pradhan Mantri Gram Sadak Yojana has shown significant progress compared to its sanctioned targets. The scheme successfully completed over six lakh kilometers of road construction against a sanction of seven point six lakh kilometers. Additionally, the number of connected habitations reached nearly one point seven lakh. While expenditure is high, the progress in physical road connectivity and habitation access remains substantial.

28. (D) (I), (II), and (III)
Projections for the Indian power sector by 2026-27 suggest a significant expansion in total installed capacity. The national generation capacity is expected to reach approximately six hundred and twenty gigawatts. According to these estimates, coal will still account for thirty-eight percent of the capacity. Meanwhile, renewable energy is projected to grow significantly, representing forty-four percent of the total installed power capacity.

29. (C) They serve as the veins of the road system.
In the hierarchy of the transportation network, different types of roads perform specific conceptual roles. While national and state highways act as the backbone or arteries of the system for bulk movement, rural roads serve as the veins. They provide the final link to remote habitations and fields, ensuring that the benefits of the larger network reach every rural household.

30. (D) XV Finance Commission - Earmarking of ₹8,000 crore
The Fifteenth Finance Commission recommended a specific allocation for the incubation of new cities to manage urbanization. An amount of eight thousand crore was earmarked for this purpose, with a focus on developing one new city in each of the selected states. This initiative aims to create planned urban centers that can act as hubs for economic growth and provide better infrastructure.

31. (C) Only those in states allowing Direct Marketing and Contract Farming
The Agricultural Marketing Infrastructure sub-scheme provides assistance for various projects to improve post-harvest management. Eligibility for state agency projects under this reform-linked scheme is contingent upon the implementation of specific marketing reforms. Specifically, states must allow direct marketing and contract farming to qualify for financial support. These reforms are intended to create more competitive and efficient agricultural markets for farmers.

32. (B) A score of 0 implies no reforms and 100 implies complete reforms.
NITI Aayog developed an index to track agricultural marketing and farmer-friendly reforms across Indian states. The scoring system is designed to measure the progress of policy implementation on a scale from zero to one hundred. A score of zero indicates that no reforms have been initiated, while a maximum score of one hundred represents the complete implementation of the recommended agricultural reforms.

33. (D) (I), (II), (III), (IV), and (V)
The Integrated Scheme for Agricultural Marketing is a comprehensive framework that incorporates several specialized sub-schemes. These include infrastructure development through AMI, research and information dissemination via MRIN, and the strengthening of grading facilities under SAGF. The scheme also supports agri-business development and is overseen by the National Institute of Agricultural Marketing,

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covering all aspects of the agricultural marketing value chain.

34. (A) (I), (II), and (III)
The Deendayal Upadhyaya Gram Jyoti Yojana is a key rural electrification program with several core components. It emphasizes the separation of agricultural and non-agricultural feeders to manage power loads effectively. The scheme also focuses on strengthening sub-transmission and distribution networks. Furthermore, it incorporates the targets of previous electrification programs to ensure comprehensive coverage and continuous power supply to rural households.

35. (A) (I) and (II) only
Venture Capital Assistance provided by the Small Farmers' Agribusiness Consortium follows specific funding limits. For standard projects, the assistance is capped at twenty-six percent of the promoter's equity or fifty lakhs. In the North-Eastern region and hilly states, the limit is higher at forty percent of the equity. These interest-free soft loans are designed to bridge the capital gap for agri-preneurs.

36. (A) Leisang of Manipur was the first village electrified under the 1000-day mission.
The national mission to electrify all un-electrified census inhabited villages culminated in April 2018. Statistics show that over eighteen thousand villages were un-electrified in 2015, excluding uninhabited areas. While the mission was a success, Leisang village in Manipur was actually the last village to be electrified, marking the completion of the 1000-day pledge rather than being the first village.

37. (A) To help the farmer sell their produce to the wholesalers
Brokers, traditionally known as dalals, play a significant role in the operation of agricultural mandis. Their primary function is to act as intermediaries between farmers and wholesalers. They assist farmers in finding buyers and negotiating prices for their produce. Although the system has evolved, these brokers have traditionally been the main link for farmers to navigate the wholesale market environment.

38. (D) It provides Free Software for System integration and Automation of recording transactions.
The electronic National Agriculture Market offers several technological benefits to Agricultural Produce Market Committees. One of the primary advantages is the provision of free software that facilitates system integration and automates the recording of transactions. This modernization reduces manual errors, streamlines arrival recording, and improves the overall transparency and efficiency of the market operations within the e-NAM network.

39. (A) August 2006
The Electricity Act of 2003 mandated the creation of a specific policy for rural electrification to ensure energy access for all. Consequently, the Rural Electrification Policy was formally notified in August 2006. This policy provides the framework for providing electricity to rural areas through both grid and off-grid solutions, involving cooperation between the central government and various state agencies.

40. (D) The app is available only in English to maintain standardized agricultural terminology.
The Kisan Suvidha mobile app is an omnibus platform designed to provide farmers with essential agricultural information. It covers weather forecasts, market prices, and expert advisories on plant protection. To ensure wide accessibility across the country, the app is available in multiple regional languages and Hindi, not just English. This allows farmers to access critical data in their preferred language easily.

41. (B) Leisang of the Manipur state
A significant milestone in India's energy history was reached when every un-electrified census inhabited village was connected to the power grid. This massive nationwide effort was completed on April 28, 2018. The village of Leisang, located in the state of Manipur, was the final village to be electrified, marking the successful fulfillment of the government's 1000-day mission for village electrification.

42. (A) P-2, Q-3, R-1, S-4
Various government initiatives have specific financial allocations and targets. The Bharatmala

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road projects are linked to a significant investment of over twenty-five thousand crore. The Inter State Connectivity Scheme received an allocation of one hundred sixty-five crore for the financial year 2022. Additionally, funds were earmarked for incubating new cities and establishing specialized plants for ethanol and compressed biogas production.

43. (B) Mandatory physical trading of commodities only within designated market yards
The model APMC Act of 2017 was proposed to modernize agricultural marketing and remove trade barriers. It suggests a single-point levy of fees and a unified trading license to reduce costs. Importantly, it moves away from mandatory physical trading within designated yards, allowing for e-trading and direct marketing. This shift is designed to provide farmers with more flexibility and better price discovery.

44. (C) Both (I) and (II)
Agribusiness projects seeking financial support through venture capital assistance must adhere to specific cost limits. Generally, projects must have a cost of fifteen lakh or more, up to a maximum of five hundred lakh. However, to encourage development in backward districts and North-Eastern states, the minimum cost requirement is lowered to ten lakh, allowing smaller enterprises in these regions to qualify.

45. (C) The GARV App was launched to capture near real-time progress.
The electrification drive launched in 2015 utilized modern technology to monitor field progress. A specialized web-enabled platform called the GARV App was introduced to capture and display near real-time data on village electrification. This transparency allowed stakeholders and the public to track the status of the mission, ensuring accountability and accelerating the pace of work in remote un-electrified villages.

46. (B) It is the Marketing Division of the DAC&FW.
Within the national government, specific divisions are tasked with reforming agricultural trade. The Marketing Division of the Department of Agriculture, Cooperation and Farmers' Welfare serves as the nodal unit for policy and program implementation regarding agricultural marketing reforms. This division works on integrating markets, improving infrastructure, and ensuring that farmers have better access to competitive trading platforms across the country.

47. (A) P-4, Q-1, R-2, S-3
Several milestones define the history of rural electrification in India. The RGGVY program was launched in 2005, followed by the DDUGJY in late 2014. In 2015, the Prime Minister pledged to electrify all remaining villages within one thousand days. This goal was achieved on April 28, 2018, when the last un-electrified census inhabited village was successfully connected to the national power grid.

48. (A) (I), (II), and (III)
The Marketing Research and Information Network was established as a central sector scheme in 2000. It plays a vital role in disseminating wholesale prices and arrival data for over three hundred agricultural commodities. By March 2015, the project covered more than three thousand markets. This information is typically provided on a daily basis to help farmers and traders make informed decisions.

49. (A) Major States like U.P., Punjab, and West Bengal achieved scores well above the halfway mark of 50.
The NITI Aayog index for agricultural reforms reveals significant variations in state performance. While Maharashtra and Gujarat achieved high scores, many major states like Uttar Pradesh and West Bengal recorded scores below the halfway mark of fifty in the 2016-17 analysis. In fact, nearly two-thirds of the states were unable to reach this benchmark, indicating a need for further reform implementation.

50. (C) e-NAM, promoted by SFAC
The electronic National Agriculture Market is a pan-India trading portal that connects existing mandis to create a unified national market. Launched in April 2016, the platform facilitates barrier-free trade of agricultural commodities. The Small Farmers' Agribusiness Consortium acts as the lead promoter of this initiative, working under the Ministry of Agriculture to improve price discovery and market access for farmers.

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51. (D) Complete reliance on international contractors for field level execution
The strategy to accelerate rural electrification involved a multi-pronged approach led by the Rural Electrification Corporation. Key elements included identifying villages using current census codes and utilizing web-based platforms for real-time monitoring. Field teams were strengthened with modern technology to improve efficiency. However, the execution relied on domestic agencies and contractors rather than a complete reliance on international contractors for field-level work.

52. (D) Regulation of wholesale prices for industrial goods
The Agricultural Marketing Infrastructure sub-scheme is focused on enhancing post-harvest facilities for farmers. Its primary objectives include the creation of scientific storage capacity and the development of marketing infrastructure other than storage. While it aims to improve the agricultural value chain, the regulation of wholesale prices for industrial goods is not a component or objective of this specific agricultural marketing scheme.

53. (C) Venture Capital Assistance (VCA) provided by SFAC
Entrepreneurs starting agribusinesses in underdeveloped areas often face capital shortages. The Small Farmers' Agribusiness Consortium offers an interest-free soft loan known as Venture Capital Assistance to bridge these financial gaps. This support helps supplement the capital required for projects that have already been approved by financial institutions, thereby promoting agricultural entrepreneurship and strengthening the rural economy in backward districts.

54. (A) (III), (IV), (II), (I)
The development of agricultural marketing and electrification followed a specific chronological sequence. The Agricultural Produce (Grading and Marking) Act was first enacted in 1937. Later, the National Institute of Agricultural Marketing was established in 1988. The MRIN scheme followed in 2000 to improve market information. Finally, the RGGVY was launched in 2005 as a major initiative to accelerate the process of rural electrification.

55. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Farmer Producer Organizations can effectively use the e-NAM platform to aggregate produce from their members and sell it in bulk lots. This digital system streamlines the process by allowing payments to be made directly to the bank account of the organization. Once the funds are received, the organization can then distribute the payments among its individual farmer members, ensuring transparency.

56. (B) 1 April 2014
The Integrated Scheme for Agricultural Marketing was introduced to consolidate and improve various central sector schemes during the Twelfth Plan period. This integrated framework became effective on April 1, 2014. By bringing different marketing initiatives under one umbrella, the scheme aims to provide a more cohesive approach to infrastructure development, grading, research, and information dissemination within the agricultural sector.

57. (B) 60% grant, 10% raised by the company
The Deendayal Upadhyaya Gram Jyoti Yojana follows a specific funding pattern to support rural power infrastructure. For most projects, the central government provides sixty percent of the cost as a grant. The implementing state power distribution company is required to contribute ten percent from its own resources. The remaining thirty percent is typically arranged through loans from financial institutions to complete the project.

58. (A) Agricultural Produce (Grading and Marking) Act, 1937 - Amended in 1986
The grading and marking of agricultural produce in India are governed by a specific piece of legislation enacted during the pre-independence era. The Agricultural Produce (Grading and Marking) Act of 1937 provides the legal framework for establishing quality standards. This act was later significantly amended in 1986 to broaden its scope and strengthen the enforcement of standards for various agricultural commodities.

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59. (C) Assertion (A) is true, but Reason (R) is false.
Under the Electricity Act of 2003, providing electricity to rural areas is established as a joint responsibility of both central and state governments. However, the act does not mandate the central government to act independently without state consultation. Instead, it requires the center to formulate the national rural electrification policy in consultation with the states to ensure coordinated implementation across regions.

60. (B) August 1988, Jaipur
The Chaudhary Charan Singh National Institute of Agricultural Marketing was established to provide specialized training and research in the field of agricultural marketing. The institute was set up in Jaipur, Rajasthan, in August 1988. As a premier national-level body, it caters to the needs of agricultural marketing personnel and helps in the development of efficient marketing systems and policies.

61. (C) 52.1% of rural households have access to drinking water away from the premises.
Data from the decade between 2001 and 2011 shows changing trends in rural water access. While well water usage diminished, thirty-five percent of rural households gained access to water within their premises. Statistics indicate that forty-two point nine percent have access near their premises. Contrary to the larger figure, only twenty-two point one percent of rural households fetch water from away.

62. (A) P-4, Q-3, R-1, S-2
The Central Board of Secondary Education prescribes specific infrastructure requirements for affiliated schools. Science laboratories must maintain a minimum size of nine by six meters. Schools are required to provide five hundred liters of safe drinking water for every hundred children. Furthermore, the library must contain at least fifteen hundred books, and the computer-to-student ratio should be one to twenty.

63. (B) To make 60 million rural people digitally literate in a period of three years
The National Digital Literacy Mission was launched to bridge the digital divide in rural India. The government set a specific target to make sixty million rural residents digitally literate within a three-year period. By providing training in digital skills, the mission aims to empower rural citizens to access online services, participate in the digital economy, and improve their overall livelihoods.

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64. (C) Small and tiny businesses and enterprises
Reliable and good quality infrastructure is essential for the growth of all economic participants, but it is particularly critical for small and tiny enterprises. These businesses often lack the resources to create their own backup systems for power, transport, or finance. Access to public infrastructure like roads, electricity, and banking allows these small-scale entrepreneurs to operate efficiently and compete in larger markets.

65. (A) Per Drop More Crop
Under the Pradhan Mantri Krishi Sinchayee Yojana, the government emphasizes improving water use efficiency at the farm level. The specific component dedicated to this objective is known as Per Drop More Crop. It promotes the adoption of precision irrigation technologies such as drips and sprinklers. By reducing water wastage and ensuring targeted application, this initiative helps farmers increase productivity while conserving resources.

66. (A) P-3, Q-1, R-4, S-2
Economic indicators for 2021 show a recovery in the infrastructure and core sectors. The core sector grew by nine point four percent in July, while the infrastructure sector expanded by nine point three percent in June. The growth rate for the first four months reached twenty-one point two percent compared to the previous year. Meanwhile, crude oil production recorded a slight drop.

67. (C) To bridge the rural-urban digital divide through focused initiatives and service access
The Digital India program in rural areas is centered on the concept of bridging the digital divide between cities and villages. It aims to ensure that rural citizens have access to high-speed internet and various electronic government services. By focusing on digital literacy and infrastructure development, the program seeks to provide rural populations with the same opportunities for education and commerce.

68. (B) At least 10 computers or a 1:20 ratio with internet connectivity
To obtain affiliation with the Central Board of Secondary Education, schools must meet specific standards for digital infrastructure. For a computer lab, the requirement is to have at least ten computers or maintain a student-to-computer ratio of one to twenty. Additionally, the lab must be equipped with internet connectivity to ensure that students can access online educational resources and develop digital skills.

69. (A) Command Area Development (CAD)
The Command Area Development program was designed to optimize the utilization of created irrigation potential. It uses an integrated approach involving multidisciplinary teams to improve agricultural productivity. By focusing on on-farm development works, water management, and drainage, the program ensures that water reached via major irrigation projects is effectively used by farmers in the designated command areas to enhance their crop yields.

70. (C) Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)
Launched in July 2015, the Pradhan Mantri Krishi Sinchayee Yojana aims to achieve a convergence of investments in the irrigation sector. Its primary objectives include expanding the cultivable area under assured irrigation and improving on-farm water use efficiency. By integrating various water management schemes, the program works to ensure har khet ko pani and promotes sustainable water conservation practices nationwide.

71. (C) Assertion (A) is true, but Reason (R) is false.
The Ministry of Railways has developed a program to monetize various assets, including the redevelopment of railway stations. However, this monetization is not planned through direct government funding. Instead, it relies on involving the private sector through public-private partnership models. The goal is to leverage private investment to modernize facilities while generating revenue for the railways to reinvest in other projects.

72. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Sustainable rural development is a multidimensional process that goes beyond just providing housing. While shelter is a basic need, it must be supported by other essential amenities to ensure a healthy living environment. Access to safe drinking water, proper sanitation, and community efforts to maintain cleanliness are all critical components that together create a sustainable and functional rural society.

73. (B) The library must have a minimum of 1500 books and at least 15 magazines.
The Central Board of Secondary Education mandates specific standards for school libraries to ensure students have access to adequate reading materials. A school seeking affiliation must maintain a library with a minimum collection of fifteen hundred books. Additionally, the library is required to subscribe to at least fifteen different magazines, providing a diverse range of information for the school community.

74. (A) (I), (II), and (III) and (IV)
The Pradhan Mantri Krishi Sinchayee Yojana features a multi-tiered administrative structure to ensure effective planning and execution. It involves the creation of District and State Irrigation Plans for decentralized management. At the national level, a Steering Committee chaired by the Prime Minister provides oversight, while an Executive Committee chaired by the NITI Aayog Vice Chairman handles the program implementation details.

75. (D) The impact of Covid-19 related restrictions
India's core sectors experienced a significant decline in growth during the previous year before recovering in July 2021. This earlier contraction was primarily attributed to the widespread economic impact of Covid-19 related restrictions. These measures disrupted industrial production, supply chains, and labor availability across all major infrastructure sectors, leading to a temporary drop in output before the subsequent recovery took place.

76. (A) Only (I)
The Bharat Net program is a foundational project aimed at establishing a high-speed digital

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highway across rural India. Its core objective is to connect all two hundred and fifty thousand gram panchayats with optical fiber. Far from being independent, it is a critical component of the Digital India initiative, providing the necessary backbone for delivering electronic services to rural citizens nationwide.

77. (D) Giving at least 100 days of guaranteed unskilled wage employment per household per year.
The Mahatma Gandhi National Rural Employment Guarantee Act provides a legal guarantee of livelihood security in rural areas. Its core provision is to offer at least one hundred days of guaranteed unskilled wage employment in every financial year to every rural household whose adult members volunteer to do manual work. This rights-based approach aims to enhance economic stability and reduce migration.

78. (A) P-2, Q-3, R-1
Rural drinking water statistics from the 2001-2011 census period reveal the proximity of water sources for households. Thirty-five percent of rural households have access to drinking water within their premises. A larger portion, forty-two point nine percent, find water near their premises. The remaining twenty-two point one percent must travel further as their water source is located away from the premises.

79. (B) It ensures adequate, safe infrastructure for inclusive and effective learning environments.
The New Education Policy 2020 emphasizes the importance of the physical environment in schools for effective learning. It aims to ensure that all educational institutions have adequate and safe infrastructure to support inclusive environments. This includes providing basic facilities like clean water, sanitation, and safe buildings, which are essential for student well-well-being and creating a conducive atmosphere for quality education.

80. (C) 96%
India has seen a significant increase in school enrollment over the years, particularly in rural areas. Among children in the demographic age group of six to fourteen years, the enrollment rate has reached ninety-six percent. This high percentage reflects the success of various educational initiatives and the growing awareness among rural families regarding the importance of primary and secondary education.

81. (D) (I), (II), (III), (IV), and (V)
The Indian construction equipment market maintained a turnover of six point five billion dollars in 2020 despite pandemic challenges. The government's vision plan for 2030 aims to transform the sector into a global manufacturing and export hub. This action plan is designed to support the development of world-class infrastructure by ensuring the availability of advanced machinery and promoting industrial growth.

82. (A) Tap water as a source of drinking water attained growth from 24.3% to 30.8%.
Analysis of census data from 2001 to 2011 shows a positive trend in the availability of safe drinking water sources in India. One notable finding is the increased reach of tap water, which grew from twenty-four point three percent to thirty point eight percent over the decade. This growth indicates improvements in the provision of piped water supply to households across the country.

83. (D) Ministry of Heavy Industries
The implementation of the Pradhan Mantri Krishi Sinchayee Yojana involves the collaboration of multiple central ministries. The Ministry of Agriculture, the Ministry of Water Resources, and the Ministry of Rural Development all play active roles in managing various components of the scheme. However, the Ministry of Heavy Industries is not designated to implement or oversee the activities related to this irrigation program.

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84. (C) DDUGJY
The Deendayal Upadhyaya Gram Jyoti Yojana is the primary government scheme designed to invest in rural power systems. Its main objective is to provide continuous electricity supply to rural India by strengthening distribution infrastructure and separating feeders. This program is essential for improving the quality of life in villages and supporting rural economic activities through reliable and consistent access to electrical energy.

85. (C) It should provide a minimum floor space of 2 sq. mtr. per student in the class.
The Central Board of Secondary Education has established specific infrastructure requirements for schools. These include owning a minimum land area of two acres and having well-equipped libraries and laboratories. While building standards are strictly enforced, the requirement for classroom floor space is typically one square meter per student, making the statement regarding two square meters per student incorrect.

86. (A) (I) and (II) only
The government approved a modernization project for the Department of Posts with an outlay of nearly five thousand crore. This initiative aims to digitally connect all rural post offices and gramin dak sewaks. By upgrading the telecom infrastructure, the project seeks to transform these post offices into hubs for e-commerce and financial services, thereby enhancing connectivity and services for rural citizens.

87. (B) Economic and social overheads
Infrastructural facilities such as transport, power, and banking are considered economic overheads because they directly support production and trade. On the other hand, health and educational facilities are categorized as social overheads as they contribute to human capital development. Together, these economic and social overheads form the foundation required for the sustainable development of both agricultural and industrial sectors in any nation.

88. (A) (I), (II), and (III)
The Pradhan Mantri Krishi Sinchayee Yojana was conceived by amalgamating several ongoing central schemes to ensure better coordination in water management. These schemes included the Accelerated Irrigation Benefit Program, the Integrated Watershed Management Program, and the On Farm Water Management component. By combining these efforts, the government aims to provide a comprehensive and integrated approach to irrigation and water conservation nationwide.

89. (B) AGMARK
AGMARK is a certification mark used on agricultural products in India to ensure they meet a set of established quality standards. This mark provides assurance to consumers that the produce conforms to the grade standards formulated under the Agricultural Produce (Grading and Marking) Act. It covers various commodities, helping in maintaining quality and facilitating trade by providing a reliable grading system.

90. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
Developing a strong nation requires a solid foundation at the primary and rural levels where a large portion of the population resides. The 2009 Right to Education Act significantly supports this by making education a fundamental right. However, while education is a vital part of national development, the legal right itself is just one component of the broader foundational needs.

91. (B) It introduced a demand-driven and self-selecting program for rural employment opportunities.
The implementation of MGNREGS marked a major paradigm shift in rural development policy. Unlike previous supply-driven schemes where the government decided the amount of work available, this program is demand-driven. It empowers rural citizens by allowing them to demand work when they need it, creating a self-selecting system that provides a legal guarantee of employment and income security to households.

92. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The central government has urged states to modify their APMC Acts to implement a single trading license and single-point levy of fees. These reforms are designed to eliminate the barriers that prevent farmers and traders from selling produce across different regions. By simplifying the regulatory framework, the government aims to reduce transaction costs and facilitate the seamless integration of markets on e-NAM.

93. (C) The NIP strictly prohibits investments in the rural electrification sector.
The National Infrastructure Pipeline is a comprehensive exercise aimed at providing world-

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class infrastructure across many sectors. The government has expanded the project list to over seven thousand initiatives and invested trillions of dollars. Far from prohibiting investments in any specific basic area, the pipeline includes various sectors like transport, energy, and rural infrastructure to ensure balanced and sustainable national development.

94. (A) P-3, Q-4, R-1, S-2
Census data highlights key percentages regarding rural drinking water access in India. Tap water usage grew to over thirty percent, while well water consumption decreased by forty percent. About thirty-five percent of rural households have access within their premises, and forty-two point nine percent find water near their premises. These figures reflect the ongoing challenges and progress in providing safe water.

95. (B) GBY and AMIGS were subsumed into the AMI sub-scheme.
The Agricultural Marketing Infrastructure sub-scheme was created to provide a more integrated approach to post-harvest management. To achieve this, several erstwhile schemes were subsumed into its framework. Specifically, the Grameen Bhandaran Yojana and the Agricultural Marketing Infrastructure, Grading and Standardization scheme were integrated, allowing for better coordination in the development of scientific storage and marketing facilities for farmers.

96. (B) 6–14 years
India's vast education system places a high priority on the primary and upper primary levels. For children in the demographic age group of six to fourteen years, the school enrollment rate has reached ninety-six percent. This high level of participation highlights the success of national policies aimed at providing universal access to education and the increasing commitment of rural families.

97. (D) It replaces the Central Bank of India as the regulator of all commercial banks.
The National Bank for Financing Infrastructure and Development was established through a bill passed in 2021 to fund long-term infrastructure projects. While it acts as a principal development financial institution, it does not function as a regulator for commercial banks. Regulatory oversight of the banking sector remains the responsibility of the Reserve Bank of India, which is the nation's central bank.

98. (A) The project should be accepted by the notified FIs for grant of term loan.
To qualify for Venture Capital Assistance from the Small Farmers' Agribusiness Consortium, a project must meet several specific criteria. A primary requirement is that the proposed agribusiness venture must be accepted by a notified financial institution for the grant of a term loan. This ensures that the project has undergone a professional appraisal and is considered financially viable before receiving assistance.

99. (B) To improve the supply for consumers in rural areas by managing loads distinctly
Feeder separation is a core technical component of the DDUGJY scheme. By creating separate electrical lines for agricultural and non-agricultural purposes, power distribution companies can manage loads more effectively. This allows the government to provide dedicated power for irrigation during specific hours while ensuring that rural households and shops receive a continuous and reliable supply of electricity throughout the day.

100. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Road construction and maintenance activities are labor-intensive and generate significant employment opportunities for the local workforce. This benefit has become increasingly important due to the rapid growth of the population and the labor force in rural areas. By investing in road infrastructure, the government not only improves connectivity but also provides essential income-earning opportunities for many rural households.

101. (D) (I), (II), and (III), and (IV)
Schools seeking CBSE affiliation must provide a comprehensive range of facilities to support student development. These requirements include spaces for physical education, properly sized science laboratories, and separate toilet blocks for boys and girls with hygienic disposal

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systems. By enforcing these standards, the board ensures that students in both urban and rural schools have access to a safe environment.

102. (A) (I) and (II) only
The development of roads under the PMGSY has a transformative effect on the rural economy. Reliable connectivity allows farmers to transport perishable goods to a wider consumer base in nearby towns more quickly. It also enables retail companies to distribute their products to rural stores more effectively. This results in more efficient supply chains and helps businesses reduce their inventory costs.

103. (D) (I), (II), (III), (IV), and (V)
The electronic National Agriculture Market platform has achieved widespread integration across the country. It currently links one thousand markets across eighteen states and three union territories. The system supports nearly two thousand Farmer Producer Organizations and provides real-time transaction information through personalized dashboards. This digital network is essential for creating a transparent and unified national market for agricultural commodities.

104. (D) DD Kisan
To provide farmers with easy access to agricultural information, the government utilizes dedicated television channels. DD Kisan is the primary channel used to disseminate a wide range of data, including daily mandi prices, weather forecasts, and expert farming advice. This allows farmers across the country to stay informed about market trends and modern agricultural practices from the comfort of their homes.

105. (C) The SLSC is vested with the authority to oversee implementation but cannot sanction projects.
The administrative structure of the Pradhan Mantri Krishi Sinchayee Yojana involves committees at various levels. While the national committees provide broad steering and execution oversight, the State Level Sanctioning Committee plays a critical role. Contrary to the idea of limited power, the SLSC, chaired by the State's Chief Secretary, is actually vested with the authority to both oversee implementation and sanction projects.

106. (C) 4,000 MW
The Ministry of New and Renewable Energy is actively promoting rooftop solar installations to enhance energy self-reliance. Under the second phase of the Rooftop Solar Program, the government has set a specific target to install four thousand megawatts of capacity within the residential sector by 2022. This initiative is designed to encourage clean energy adoption and reduce the burden on traditional power grids.

107. (A) Setting up Wi-Fi hotspots all over the country
BSNL's next-generation network project is a key initiative to modernize telecom infrastructure in rural areas. A major part of this plan involves setting up Wi-Fi hotspots across the country to accelerate the provision of broadband connectivity. By establishing these access points, the project aims to bridge the digital divide and provide rural residents with easier access to high-speed internet and services.

108. (D) (I), (II), (III), (IV), and (V)
The list of permissible works under MGNREGA has been expanded to create more diverse and durable rural assets. These works include natural resource management, extensive tree plantation, and horticulture in road margins. The scheme also allows for providing all-weather rural road connectivity and the construction of internal roads that must include proper drainage and culverts to ensure long-term usability and infrastructure quality.

109. (D) Assam - Achieved a perfect score of 100
The NITI Aayog Agriculture Marketing and Farmer Friendly Reforms Index evaluates states on their implementation of agricultural reforms. Maharashtra consistently ranks at the top, followed by Gujarat and Rajasthan. However, some states have struggled to implement these changes effectively. Contrary to achieving a perfect score, Assam and several other states have recorded significantly lower rankings on the reform implementation scale.

110. (C) There are 25 Regional AGMARK Laboratories across the country supporting this scheme.
The AGMARK scheme is supported by a network of specialized laboratories to ensure the quality of agricultural products. This infrastructure includes a Central AGMARK Laboratory located

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in Nagpur. While the system is robust, there are eleven Regional AGMARK Laboratories across the country, not twenty-five. These labs are essential for framing standards, conducting chemical analysis, and certifying commodities according to established quality grades.

111. (C) Minimum of 1500 books and at least 15 magazines
The Central Board of Secondary Education has set minimum infrastructure standards for libraries to ensure students have access to adequate resources. Schools affiliated with the board, including those in rural areas, are required to maintain a collection of at least fifteen hundred books. Additionally, they must subscribe to a minimum of fifteen magazines to provide diverse information and reading materials.

112. (B) More efficient supply chains and lower inventory costs
The establishment of all-weather roads under programs like PMGSY provides significant logistical advantages for FMCG companies. Motorable roads allow for more reliable and frequent replenishment of rural retail stores. This improved connectivity leads to more efficient supply chains, enabling companies to reach remote markets more easily while reducing their overall inventory costs and improving the availability of goods for rural consumers.

113. (C) To remove restrictive and monopolistic practices of the present marketing system
Reforming the agricultural sector is essential to create competitive and well-functioning markets that benefit both farmers and consumers. The primary goal of these reforms is to remove the restrictive and monopolistic practices that often characterize the traditional marketing system. By encouraging competition and transparency, reforms help in better price discovery and ensure that farmers receive a fair share of the consumer's price.

114. (B) A web-enabled platform named 'GARV App' was utilized to capture near real-time progress.
To accelerate the pace of rural electrification, the government introduced a transparent monitoring mechanism. A web-enabled platform called the GARV App was developed to capture and display near real-time progress from the field. This technological intervention allowed for better tracking of village electrification targets, improved accountability among implementing agencies, and kept the public informed about the mission's status across different states.

115. (D) To provide 100% free capital to large multi-national agricultural corporations
The Small Farmers' Agribusiness Consortium implements schemes to catalyze private investment in the agricultural sector. Its objectives include facilitating the setup of agribusiness ventures and providing venture capital assistance to agri-preneurs. The consortium also organizes training and visits for entrepreneurs. However, its goal is to support small farmers and local agribusinesses, not to provide free capital to large multi-national corporations.

116. (A) P-4, Q-3, R-1, S-2
India has implemented various rural road initiatives with specific objectives over the decades. The Minimum Needs Program initially funded roads to link villages with larger centers. PMGSY focuses on providing all-weather connectivity to unconnected habitations, while its second phase aims to consolidate and upgrade existing networks. Furthermore, modern initiatives under MGNREGA include environmental components like tree plantation and horticulture along the newly constructed road margins.

117. (A) Only (I)
The Pradhan Mantri Krishi Sinchayee Yojana adopts a decentralized structure that emphasizes planning at the state and district levels. This approach allows states to draw up their own irrigation development plans based on local needs. While project execution is decentralized, the overall framework ensures a projectized approach where individual initiatives are integrated into the broader goal of expanding cultivable areas and improving water efficiency.

118. (D) Small Farmers' Agribusiness Consortium (SFAC)
The Department of Agriculture, Cooperation and Farmers' Welfare has designated a specific entity to spearhead the implementation of the National Agriculture Market. The Small Farmers' Agribusiness Consortium acts as the

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lead promoter of the e-NAM initiative. In this role, the consortium works to onboard mandis, provide technical support, and create a unified digital platform that facilitates transparent and efficient agricultural trade nationwide.

119. (A) It is done directly to the FPO/FPCs bank account, from which they distribute among members.
One of the key benefits for Farmer Producer Organizations using the e-NAM platform is the streamlined payment process. When a transaction is completed, the payment is made directly into the bank account of the FPO or Farmer Producer Company. This digital transfer ensures transparency and allows the organization to then distribute the appropriate shares to its individual farmer members according to their contributions.

120. (A) P-3, Q-1, R-2, S-4
Several entities and programs support agricultural marketing in India. The e-NAM platform functions as a pan-India electronic trading portal, while NIAM serves as a premier institute for research and training. AGMARKNET provides a portal for the dissemination of critical market data like prices and arrivals. Additionally, the SFAC provides essential venture capital assistance to help entrepreneurs establish and grow their agribusiness ventures.

121. (D) It aims for investment convergence in irrigation and expanding cultivable areas.
The Pradhan Mantri Krishi Sinchayee Yojana is a major national program focused on water management and agricultural productivity. Its fundamental objectives are to achieve convergence of investments in the irrigation sector and expand the total area under assured irrigation. By promoting sustainable water conservation and on-farm water use efficiency, the scheme works to ensure that every field has access to adequate irrigation resources.

122. (C) Space exploration and deep-sea mining equipment
Infrastructural facilities are broadly categorized into services and systems that support economic and social development. This includes power, transport, and communication, as well as banking, insurance, and social overheads like health and educational facilities. While specialized fields like space exploration and deep-sea mining are technologically advanced, their specific equipment is not traditionally listed under the broad umbrella of general public infrastructural facilities.

123. (C) Sagarmala Project
The Sagarmala project is a flagship initiative specifically designed to enhance the performance of India's logistics sector. By focusing on port-led development, the project aims to reduce logistics costs and time for both domestic and international trade. Its comprehensive plan includes port modernization, port connectivity improvement, and coastal community development, making it a critical program for boosting the nation's overall maritime and logistics efficiency.

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124. (A) (I), (II), (III), (IV)
The legal and policy framework for India's rural and social infrastructure has evolved through several key milestones. The Electricity Act was enacted in 2003, followed by the Mahatma Gandhi National Rural Employment Guarantee Act in 2005. Later, the Right to Education Act was passed in 2009. Finally, the Pradhan Mantri Krishi Sinchayee Yojana was launched in 2015 to coordinate and improve irrigation investments.

125. (A) P-4, Q-1, R-3, S-2
The National Agriculture Market is an online trading portal for agricultural products. The National Infrastructure Pipeline is a comprehensive plan to provide world-class infrastructure until 2024. Furthermore, the National Institute of Agricultural Marketing serves as a premier research and training institute. Finally, the Pradhan Mantri Gram Sadak Yojana is a nationwide scheme designed to provide all-weather road connectivity to unconnected rural habitations.

CHAPTER 05
Agriculture Economy

Oct/Nov 2018

1. Match the soil types in List-I with their corresponding prominent regions in List-II.

List I: (Soil Types)

P. Alluvial Soils
Q. Vertisols
R. Alfisols
S. Lateritic Soils

List II: (Regions)

1. Maharashtra, parts of Madhya Pradesh, Gujarat
2. Karnataka, Kerala, Madhya Pradesh, Orissa
3. Assam, West Bengal, Uttar Pradesh, Punjab
4. Parts of Tamil Nadu, Karnataka, Goa, Daman and Diu

(A) P-2, Q-3, R-1, S-4
(B) P-1, Q-4, R-2, S-3
(C) P-4, Q-2, R-3, S-1
(D) P-3, Q-1, R-4, S-2

May/June 2005

2. Match the allied agricultural activities in List-I with their specific statistics in List-II.

List I: (Activity)

P. Milk Production
Q. Meat Production
R. Wool Production
S. Fisheries

List II: (Statistics)

1. Annual output of 187.7 million MT in 2019
2. Total production was 13.75 million metric tons during 2018–19
3. Around 5.3 million MT produced annually
4. Estimated at 54.1 kg at the national level in 2019–20

(A) P-2, Q-1, R-3, S-4
(B) P-4, Q-2, R-1, S-3
(C) P-1, Q-3, R-4, S-2
(D) P-3, Q-4, R-2, S-1

Oct/Nov 2010

3. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.

Assertion (A): The record production in horticulture crops in 2020-21 was entirely driven by an unprecedented increase in crop productivity.

Reason (R): Onion cultivation witnessed the highest area expansion at 11.5%.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2023

4. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.

Assertion (A): The declining share of agriculture in national income means that the role of agriculture is diminishing in overall economic development and growth.

Reason (R): Rapid growth of industrial and services sectors needs the support of agriculture as a provider of inputs, foods, and a market for products.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2009

5. Consider the following statements regarding the operational land holdings in India between 2000-01 and 2015-16:

I The average size of operational land holdings dropped from 1.33 ha to 1.08 ha.
II The number of marginal holdings (up to 1 ha) increased from 83,694,000 to

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100,251,000.
III The operated area by large holdings (>10 ha) increased significantly.
Which of the above statements is/are correct?
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

May/June 2016

6. Identify the correct statement regarding agriculture's foreign exchange contribution.
(A) Indian agriculture suffers from a high import intensity of export products, which negates potential foreign exchange gains.
(B) Indian agriculture offers foreign exchange potential due to low import intensity of exports and competitive labour costs.
(C) Foreign exchange earnings are derived by importing surplus tropical crops during the winter season to meet domestic demand.
(D) Diverse agro-climatic conditions restrict the country to growing only temperate crops, which limits its global export potential.

Oct/Nov 2025

7. The agriculture and allied activities clocked a growth of what percent at constant pace during 2020-21?
(A) 16.3%
(B) 3.0%
(C) 4.8%
(D) 8.24%

May/June 2012

8. Identify the correct statement regarding the risky farming environment.
(A) Socio-political risks originate exclusively from global climatic shifts.
(B) Uncertain prices of agricultural produce are the product of the economic environment.
(C) Disease and pest infestation are entirely independent of climatic factors.
(D) Natural risks are manifested primarily in uncertain government policies.

Oct/Nov 2014

9. For banking purposes, the RBI has modified the definition of rural areas based on census 2011. What is the population threshold that defines a village or town as a rural area?
(A) Population up to 5,000
(B) Population not exceeding 10,000
(C) Population exceeding 15,000
(D) Population not exceeding 25,000

May/June 2019

10. Which of the following is the most appropriate reason for the Planning Commission classifying the country into 15 agriculture regions?
(A) To facilitate the efficient and equitable distribution of diverse chemical fertilizers across different states.
(B) To strictly delineate the administrative boundaries required for implementing the Model Land Leasing Act.
(C) To plan and manage agricultural development based on specific regional agro-climatic conditions.
(D) To ensure that international trade quotas for agricultural exports are geographically distributed evenly.

Oct/Nov 2006

11. How does the concept of agri-business alter the perceived decline of agriculture's share in the national product?
(A) It accelerates the decline by excluding raw material extraction from the calculation of the total national product.
(B) It stabilizes the agricultural share at a constant rate indefinitely regardless of industrial and service growth.
(C) It proves that the manufacturing sector is entirely dependent on imported food baskets for the urban labor force.
(D) It shows the share declines slower because the definition includes the value of agricultural inputs and processing.

May/June 2021

12. Identify the incorrect statement regarding the macroeconomic indicators of Indian agriculture.
(A) Around 60% of rural households depend on agriculture as their principal means of livelihood.
(B) The area sown was higher by 4.8% year on year for Kharif crops during the 2020-21 period.
(C) The agriculture and allied sector in overall Gross Value Added increased by 16.3% to reach 303.34%.
(D) The gross value added by the fisheries sector to the national economy stood at ₹2,12,915

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crores.

Oct/Nov 2022

13. What is the fundamental difference between mono-cropping and double-cropping?
(A) Mono-cropping involves one crop per season, while double-cropping involves growing two crops in sequence within a single year.
(B) Mono-cropping involves growing a single crop type across multiple seasons, while double-cropping mixes two different seeds simultaneously.
(C) Mono-cropping refers to cultivating only cereal crops, while double-cropping integrates large-scale livestock rearing with crop cultivation.
(D) Mono-cropping utilizes only ground water sources, whereas double-cropping relies exclusively on managed surface water irrigation.

May/June 2018

14. Identify the incorrect statement regarding the distribution of land holdings.
(A) The total number of operational holdings in the marginal and small farm categories is steadily increasing over the years.
(B) The available farming land gets divided and sub-divided among family members due to the prevailing law of inheritance.
(C) The average size of medium holdings increased from 5.74 hectares in 2005-06 to 6.37 hectares by 2015-16.
(D) Landholdings in the marginal category currently constitute approximately 68% of the total operational holdings in the country.

Oct/Nov 2016

15. What is required for agriculture's market contribution to become more prominent in the economy?
(A) Agriculture must remain isolated to protect small farmers from price volatility.
(B) Commercialization must be strictly limited to semi-subsistence levels.
(C) The absolute magnitude of agriculture's market contribution must be decreased in the short term.
(D) Agriculture must be fully integrated with the rest of the economy.

May/June 2014

16. Consider the following statements:
I The production of horticulture crops during 2020-21 surpassed the food grain production for the ninth consecutive year.
II The livestock sector grew at a compounded annual growth rate of 8.24% during 2014-15 to 2018-19.
Which of the above statements is/are correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

Oct/Nov 2007

17. Identify the incorrect pair regarding the contributions of agriculture to economic development.
(A) Market Contribution - Exporting surplus commodities to earn foreign exchange.
(B) Product Contribution - Providing raw materials like food processing, beverages, and textiles.
(C) Factor Contribution - Transferring agricultural labour to non-agriculture sectors.
(D) Market Contribution - Farmers purchasing industrial consumer goods and fertilizers.

May/June 2025

18. In Indian agriculture, which climatic phenomenon is primarily responsible for bringing about the monsoon rains received between the months of June to September?
(A) South-west monsoon
(B) Western disturbances
(C) North-east monsoon
(D) Intertropical convergence zone shift

Oct/Nov 2019

19. A government planner is drafting policies to double the income of farmers by promoting the poultry sector. Under the National Program for Doubling of Income of Farmers, what is the anticipated growth target for egg production?
(A) From 66.45 billion to 106 billion eggs.
(B) From 83 billion to 136 billion eggs.
(C) From 63 eggs/annum to 81 eggs/annum.
(D) From 106 billion to 136 billion eggs.

May/June 2009

20. A rural lending officer is evaluating a marginal farmer's loan application. The farmer relies

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heavily on family labour, uses most of the harvest for household consumption, and sells a minimal surplus. This economic setting is primarily characteristic of which agricultural component?
(A) Subsistence and semi-subsistence agriculture
(B) Fully monetized commercial agriculture
(C) Export-oriented corporate farming
(D) State-sponsored collective farming

Oct/Nov 2011

21. Consider the following statements regarding the factors explaining why non-agricultural sectors grow faster than the agricultural sector in a developing economy:
I The demand for food is less income-elastic than for non-agricultural products.
II There is a decreasing use of inputs from the non-agricultural sector in agriculture.
III Improved roles of marketing services reduce the farmer's share in the consumer rupee.
IV This dynamic is partially explained by Engel's law.
V The urbanization effect increases the farmer's profit margin directly.
Which combination of statements is correct?
(A) (I), (II), and (IV)
(B) (I), (III), and (IV)
(C) (II), (IV), and (V)
(D) (III), (IV), and (V)

May/June 2010

22. How is the term "agricultural economy" defined?
(A) The physical logistics and transportation of harvested grains from farm gates to regional wholesale markets.
(B) The production, distribution, exchange, and consumption of various plant and animal origin products.
(C) The biological science and technological methodology of cultivating crops and breeding high-yielding livestock.
(D) The exclusive management of financial credits and subsidies disbursed directly to marginal farming communities.

Oct/Nov 2024

23. Which of the following sub-sectors are gradually giving way to fisheries and livestock amidst the structural transformation within agriculture and allied activities?
(A) Poultry and dairy
(B) Aquaculture and marine products
(C) Agro-processing and storage
(D) Crops and forestry

May/June 2017

24. Which of the following is the most appropriate summary of the developmental role of agriculture?
(A) Serving as the exclusive generator of capital surplus for the urban real estate market and the technology sector.
(B) Functioning as the primary consumer of imported capital goods and the main driver of the international trade deficit.
(C) Acting as the sole mechanism for halting the natural demographic transition from rural to urban settlements.
(D) Providing food, employment, a market for non-agricultural goods, and a source of foreign exchange earnings.

Oct/Nov 2005

25. Consider the following statements regarding the classification of land as on 2017-18:
I The reporting area for land utilization is 307,768 thousand hectares.
II Cultivated land is defined as the sum of current fallow and net area sown.
III Cropping intensity is calculated as the percentage of total cropped area over the net area sown.
IV Net area sown is reported as 181,065 thousand hectares.
Which combination of statements is correct?
(A) (I), (II), and (IV)
(B) (I), (II), and (III)
(C) (II), (III), and (IV)
(D) (I), (III), and (IV)

May/June 2020

26. A credit analyst is structuring a loan portfolio aimed at the allied agricultural activities segment. To assess the macroeconomic stability of the sub-sectors, the analyst reviews the National Accounts Statistics. Which of the following correctly reflects the Gross Value Added (GVA) contributions by these sub-sectors?
(A) Livestock contributed 28.63% of total

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national GVA, while fisheries contributed 7.28% of agricultural GVA.
(B) Livestock contributed 24.32% of agricultural GVA, while fisheries contributed 14.16% of total national GVA.
(C) Livestock contributed 8.24% of total national GVA, while fisheries contributed 5.68% of agricultural GVA.
(D) Livestock contributed 4.19% of total national GVA, while fisheries contributed 1.24% of total national GVA.

Oct/Nov 2015

27. In an agrarian economy undergoing structural transformation, labour is shifting from farming to urban manufacturing without causing a noticeable reduction in agricultural production. What allows this transfer to occur smoothly?
(A) The transferred labour was underemployed, and agricultural mechanization successfully compensated for the reduction in manpower.
(B) The government implemented strict employment quotas that mandated the movement of surplus rural labour to urban centers.
(C) The absolute magnitude of agricultural exports creates an artificial surplus of domestic capital for industrial use.
(D) Non-agricultural sectors rely entirely on imported raw materials, which reduces the need for domestic farming output.

May/June 2013

28. Identify the correct statement regarding the contribution of livestock raising in India.
(A) The provision of milk, fiber, meat, eggs, and organic by-products along with animal draught power.
(B) The primary provision of specialized raw materials and metal components for heavy machinery industries.
(C) The exclusive employment of the skilled urban workforce that is currently migrating to rural areas.
(D) The sole driver of the large-scale structural transformation from the service sector to agriculture.

Oct/Nov 2021

29. How is economic development explicitly defined in the context of human realization?
(A) A rapid increase in the gross domestic product fueled exclusively by heavy industrialization and manufacturing growth.
(B) The systematic reduction of the agricultural workforce to populate urban manufacturing centers in developing regions.
(C) A process enabling human potential by building collective capacity to manage resources and livelihoods effectively.
(D) The maximization of short-term profits through the aggressive exploitation of finite and non-renewable natural resources.

May/June 2024

30. Which of the following correctly pairs the main factors of production in agricultural operations?
(A) Capital and technology
(B) Seeds and fertilizers
(C) Entrepreneurship and market access
(D) Land and labour

Oct/Nov 2008

31. Which of the following is not considered an important element of a functioning market economy in the context of State versus Market roles?
(A) An outward orientation in trade
(B) Easy entry and exit for firms
(C) Unpredictable taxes to maximize immediate state revenue
(D) Stable prices and a balanced government budget

May/June 2006

32. A farming community in Punjab adopts high yielding variety seeds, chemical fertilizers, and assured irrigation. This shift leads to a massive increase in yield per unit area but subsequently causes water logging and soil salinity. This scenario exemplifies the impacts of which specific technical change phase?
(A) The introduction of the Model Land Leasing Act
(B) The Green Revolution
(C) The implementation of the APMC Act
(D) The Zaid cropping season expansion

Oct/Nov 2017

33. Match the linkage mechanisms in List-I with their appropriate descriptions in List-II.
List I: (Linkage Mechanism)
P. Direct effects

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Q. Indirect effects
R. Backward linkage
S. Forward linkage

List II: (Description)

1. Measured in terms of intermediate inputs purchased from other industries
2. The initial impact of an autonomous increase in final demand on the supplying industry
3. Measured in terms of intermediate output sales to other industries
4. Subsequent rounds of exchange leading to third and further rounds

(A) P-1, Q-4, R-3, S-2
(B) P-2, Q-4, R-1, S-3
(C) P-4, Q-2, R-3, S-1
(D) P-3, Q-1, R-2, S-4

May/June 2008

34. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.

Assertion (A): The Soil Health Card Scheme was introduced to assist State Governments to issue soil health cards to all farmers to assess soil status regularly every 3 years.

Reason (R): Soil health cards provide information on the nutrient status of the soil along with recommendations on appropriate dosage of nutrients for improving soil health.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2013

35. What is the main characteristic of labour supply in the agricultural sector?

(A) Its supply cannot be rapidly increased or reduced.
(B) It can be rapidly increased or reduced in response to immediate market signals.
(C) It is completely detached from the efficiency of production.
(D) It excludes cultivators and only consists of hired agricultural labourers.

May/June 2015

36. Which of the following is not considered a main constraint in agricultural development in India?

(A) Over-reliance on 100% automated robotic planting
(B) Land ownership and operation
(C) Capital formation
(D) Marketing and organization

Oct/Nov 2012

37. What is the definition of inter-sectoral linkages?

(A) The concept describing inter-sectoral interdependence where one industry's output serves as another's input.
(B) The legal framework separating agricultural subsidies from industrial tax credits.
(C) The measurement of autonomous decreases in international trade tariffs.
(D) The geographical mapping of rural watersheds to urban consumption hubs.

May/June 2011

38. Which of the following is the most appropriate definition of marginal productivity?

(A) The ratio of total output to total input utilized over a decade.
(B) The average product per person employed in agriculture.
(C) The total output per hectare expressed strictly in monetary terms.
(D) A ratio between change in output and change in input use.

Oct/Nov 2020

39. Identify the incorrect statement regarding the seed sector.

(A) The direct contribution of quality seed alone to the total production is about 15-20%.
(B) The Indian seeds program recognizes breeder, foundation, and certified seeds.
(C) The basic objective of the Seed Bank Program is to meet the requirement of seeds of short and medium duration crops during natural calamities.
(D) The organized sector accounts for about 90-95% of the total seeds distributed in the country.

May/June 2022

40. The success stories of East Asian economies like Taiwan, South Korea, and Singapore in the context of international trade are primarily attributed to which strategy?

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(A) Strict reliance on heavy agricultural subsidies and high tariffs on all imported industrial and consumer goods.
(B) The total and complete nationalization of all manufacturing and processing enterprises by the central government.
(C) Broad import substitution policies paired with overvalued foreign exchange rates to protect domestic producers.
(D) Export promotion strategies that encourage outward orientation and minimize government interventions in the market.

Oct/Nov 2023

41. Identify the incorrect statement regarding the history of land reforms in the Indian context.
(A) Land reforms include abolition of intermediaries, tenancy reform, and fixation of land ceiling.
(B) Consolidation of fragmented land holdings has been universally positive in both irrigated and dry land agriculture.
(C) Regulation of rent and security of tenure were components of tenancy reform legislation.
(D) Co-operative management in agricultural production has remained more or less a theoretical concept except in a few cases.

May/June 2007

42. Consider the following statements:
I The use of fertilizers, pesticides, and mechanical aids has increased backward linkages in modern agriculture.
II Forward linkages are measured by the ratio of intermediate inputs purchased from other industries to total output.
Which of the above statements is/are correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

Oct/Nov 2018

43. Consider the following statements regarding the induced innovation hypothesis:
I The hypothesis states that technical change is entirely random and unpredictable.
II Technical change is influenced by relative factor prices that stimulate the search for new methods of production.
III The search for new methods will favor using the more expensive factors of production to ensure quality.
IV It relies on better information on weather and prices.
Which of the statements is/are correct?
(A) (I) and (III) only
(B) (II) and (IV) only
(C) (II), (III), and (IV)
(D) (II) only

May/June 2023

44. Identify the correct statement regarding the components of agricultural capital.
(A) Social overhead capital - Machinery and tractors
(B) Working capital - Market yards and public utilities
(C) Fixed capital - Seed and fertilizer inventory
(D) Potential capital - Credit defined as the capacity to borrow money

Oct/Nov 2009

45. A group of farmers adopts a new, highly efficient water pump technology and high-yielding seeds. Over a few years, local food prices drop due to abundant supply, benefiting urban buyers. However, the farmers notice a drop in the water table. This dynamic illustrates that technological change:
(A) Ensures that the implementation of modern water technologies eliminates all long-term environmental concerns.
(B) Provides a means to reduce reliance on synthetic inputs while maintaining current yield levels.
(C) Relieves scarcity by increasing aggregate supplies, although it may lead to ground water over-exploitation.
(D) Ensures benefits reach equally into all rain-fed crop areas without any regional or economic exception.

May/June 2005

46. A fertilizer manufacturing plant increases its production to meet the rising demands of local farmers. The farmers use this fertilizer to increase wheat yields. The purchase of this fertilizer by the agricultural sector represents which type of linkage?
(A) Forward linkage
(B) Backward linkage
(C) Indirect subsequent round effect

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(D) Autonomous export linkage

Oct/Nov 2010

47. A policy researcher analyzing the domestic production capacities of fertilizers notes a massive disparity among different types. Based on fiscal year 2020 data, which fertilizer has zero domestic production and is fully met through imports?
(A) Urea
(B) Muriate of Potash (MOP)
(C) DAP (Di-ammonium Phosphate)
(D) NPK complex fertilizers

May/June 2016

48. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.
Assertion (A): A strategy of subsidized import substitution is universally accepted as the most effective way to boost long-term productivity growth and competition.
Reason (R): Import substitution attempts to make a country self-sufficient by replacing most imports with domestic production.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2025

49. Arrange the following policy initiatives related to the seed industry in chronological order:
I. Phase-III of National Seed Project
II. Introduction of New Seed Development Policy
III. Phase-I of National Seed Project
IV. Phase-II of National Seed Project
(A) III, IV, II, I
(B) III, IV, I, II
(C) IV, III, II, I
(D) II, III, IV, I

May/June 2012

50. A regional farm manager is deciding how to deploy tractors, labourers, and irrigation schedules to achieve the highest possible net economic benefit from a fixed parcel of land. This process of allocating resources judiciously is termed as:
(A) Productivity
(B) Mechanization
(C) Efficiency
(D) Sub-subsistence

Oct/Nov 2014

51. A cultivator actively tills a piece of land but does not hold the legal title, paying a portion of the harvest to the actual owner. This arrangement highlights the difference between ownership and operation, which originates due to:
(A) Consolidation of land holdings
(B) Co-operative management of land
(C) The abolition of intermediaries
(D) Land tenancy

May/June 2019

52. Consider the following statements regarding the debate between Agriculture and Industry in economic development:
I In most economies, incomes from the agricultural sector are much higher than incomes from the non-agricultural sector.
II In economically developed economies, industry and services sectors dominate the economy.
III Despite the push for industrialization, agriculture remains important as it is less capital-intensive and employs a large number of people.
Which combination of statements is correct?
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

Oct/Nov 2006

53. Which of the following is an exception to the characteristics of land as a productive resource?
(A) It is immobile.
(B) It is fixed in quantity.
(C) It can be rapidly expanded in its geographical dimension indefinitely.
(D) It provides wide variation in fertility.

May/June 2021

54. Consider the following statements concerning chemical fertilizers in Indian agriculture:
I The per hectare consumption of fertilizers in 2008-09 was 105.5 kg.

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II There is a noticeable decline in the marginal productivity of soil in relation to the application of fertilizers.
III The skewed NPK application favors straight fertilizers like urea over complex fertilizers.
IV Complex fertilizers (NPKs) are considered agronomically better.
V Lack of application of proper nutrients based on soil analysis has accelerated the growth of productivity.

Which combination of statements is correct?
(A) (II), (III), and (IV)
(B) (I), (II), and (V)
(C) (III), (IV), and (V)
(D) (I), (III), and (IV)

Oct/Nov 2022

55. How is technical change in agriculture broadly defined?
(A) Changes in techniques of production resulting from scientific research and experience.
(B) The replacement of all human labour with artificial intelligence.
(C) The mandatory transition from food crops to cash crops.
(D) The legal transfer of land titles from landlords to tenants.

May/June 2018

56. Identify the incorrect statement regarding agriculture-industry linkages.
(A) Agriculture, being a primary sector, inherently possesses massive and strong backward linkages before modernization.
(B) Grain milling and textile manufacturing are often pioneering industries based on agricultural forward linkages.
(C) Inter-industry linkage coefficients are usually based on a technique known as input-output modelling.
(D) Economic growth and development is demand-driven in input-output models depicting inter-industry linkages.

Oct/Nov 2016

57. Which of the following is an exception to the beneficial impacts of technological change at the macro level?
(A) It necessitates the expansion of subsistence farming to absorb displaced labour.
(B) It increases the food supply contributing to a decline in prices.
(C) It improves consumer welfare.
(D) It makes it possible to produce more with relatively less labour.

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May/June 2014

58. How is the transformation of productive resources in an agricultural economy essentially understood?
(A) Transforming inputs like materials and services into goods and services (output).
(B) Converting outputs into scarce macroeconomic indicators.
(C) Converting state policies into direct monetary subsidies.
(D) Transforming unculturable wasteland directly into forested land.

Oct/Nov 2007

59. Match the seed generation types and concepts in List-I with their descriptions in List-II.

List I: (Seed Concept)
P. Breeder seed
Q. Unorganized sector
R. State Seed Certification Agencies
S. Seed Village Program

List II: (Description)
1. Accounts for the remaining portion comprising mainly farm-saved seeds
2. Numbering about 24, functioning in various states
3. Provides adequate safeguards for quality assurance in the multiplication chain
4. Organized to improve quality of farm-saved seeds across more than 25,000 units

(A) P-2, Q-4, R-1, S-3
(B) P-1, Q-3, R-4, S-2
(C) P-3, Q-1, R-2, S-4
(D) P-4, Q-2, R-3, S-1

May/June 2025

60. What is the fundamental role of entrepreneurship or management in agriculture?
(A) To restrict the division of labour to maximize wage rates for all workers employed in the farming sector.
(B) To coordinate and utilize various factors of production to achieve specific economic and operational goals.
(C) To bypass the biological foundations and ecological limits of modern agricultural production and yields.

Oct/Nov 2022

97. When did the National Development Council (NDC) adopt the resolution to launch the Food Security Mission?
(A) 29th May, 2007
(B) October 2011
(C) March 2015
(D) July 2021

May/June 2018

98. A state agricultural department is planning to improve comprehensive soil health management and mainstream rain-fed technologies. Under which overarching national mission should they seek integrated funding and structural guidelines, given that previously independent programs like the Soil and Land Use Survey of India are now subsumed within it?
(A) NMSA
(B) APEDA
(C) MGNREGA
(D) HLEG

Oct/Nov 2016

99. How is "Average productivity" defined in the context of resource efficiency?
(A) The incremental output produced by the last unit of labour.
(B) A measure of productivity obtained as total output divided by total input.
(C) The ratio between change in output and change in input use.
(D) The fixed cost of capital divided by the total harvested area.

May/June 2014

100. Consider the following reforms introduced by the Government of India under the Atma Nirbhar Bharat Abhiyan for the farm sector:
I Announcement of a ₹ 1 lakh crore fund to finance agriculture infrastructure projects.
II Amending the Essential Commodities Act, 1955.
III Bringing Central legislation to allow farmers to sell their products outside the APMC mandi yard.
IV Creating a legal framework for contract farming.
Which combination of statements is correct?
(A) (I), (II), and (III)
(B) (II), (III), and (IV)
(C) (I), (II), and (IV)
(D) (I), (II), (III), and (IV)

Oct/Nov 2007

101. Identify the incorrect statement regarding land definitions.
(A) Old fallow land is land which was unfit for cultivation in terms of fertility and water holding capacity.
(B) Operational holding is the area under operation which is equal to area owned plus area leased in minus area leased out.
(C) Cultivable waste is land not under cultivation for last more than five years.
(D) Barren land is land not fit for agriculture.

May/June 2025

102. Match the Organization Models of Agriculture Value Chain (AVC) in List-I with their respective drivers in List-II.
List I: (Organization Models)
P. Farmer/producer driven
Q. Buyer driven
R. Facilitator driven
S. Integrated
List II: (Drivers)
1. Agribusiness firms/multinational companies, supermarkets
2. Consolidators, processors, exporters, retailers
3. National and local governments, NGOs, public trustees
4. Associations, cooperatives, SHGs
(A) P-4, Q-2, R-3, S-1
(B) P-1, Q-3, R-2, S-4
(C) P-3, Q-1, R-4, S-2
(D) P-2, Q-4, R-1, S-3

Oct/Nov 2019

103. Regarding the characteristics of the Indian agricultural economy, which of the following is not an accurate statement?
(A) It is diverse in nature with a multitude of crops and livestock raised across various climatic zones.
(B) Cropping activities are undertaken throughout the year depending on moisture availability.
(C) The concept of economic development involves basic needs such as food, clothing, and shelter.
(D) Indian agriculture is entirely independent of the monsoon due to 100% micro-irrigation

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Assertion (A): Land ceiling and tenancy laws completely facilitate the full exploitation of technological change by ensuring all farmers immediately scale up operations.
Reason (R): Removing the ceiling on land holdings could help farmers acquire more land and make the holdings economic.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2020

68. An environmental expert is assessing a farm. The expert first records the exact quantity of nitrogen fertilizer the farmer applies per hectare. Then, the expert tests the local groundwater to measure the actual loss of nitrate into the aquifer. The first measurement and the second measurement correspond respectively to:
(A) Effect-based indicator and Means-based indicator
(B) Means-based indicator and Effect-based indicator
(C) Economic indicator and Institutional indicator
(D) Forward linkage and Backward linkage

Oct/Nov 2015

69. Match the causes of deforestation in List-I with their estimated percentage contribution according to Norman Myers in List-II.
List I: (Causes)
P. Cattle ranching
Q. Over-heavy logging
R. Palm oil plantations
S. Slash-and-burn farming
List II: (Contribution)
1. 22%
2. 54%
3. 5%
4. 19%
(A) P-3, Q-4, R-1, S-2
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-1, R-4, S-3

May/June 2013

70. Identify the correct statement concerning Agricultural Input Marketing.
(A) Agricultural input marketing exclusively deals with the final sale of harvested food grains to urban consumers.
(B) Up-to-date market information is considered completely irrelevant for post-harvest technologies.
(C) Main agricultural inputs are water, fertilizer, power, and credit.
(D) Extension services do not influence improved production.

Oct/Nov 2021

71. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.
Assertion (A): Although factors influencing area allocation decision differ across farm groups, larger farmers usually go more by economic considerations based on relative crop prices than smaller farmers.
Reason (R): Smaller farms are heavily influenced by investment constraints and the necessity for food and fodder self-sufficiency.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2024

72. Consider the following statements regarding capital formation in agriculture:
I Private investment may be considered behavioural and takes forms such as agricultural implements and live stocks.
II Government investment is a policy variable focusing on large-scale irrigation systems and power generation.
Which of the above statements is/are correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

NODIA

import substitution of fertilizers.
(C) It functions by mandating the conversion of all agricultural land into solar parks.
(D) It is a GOI program launched in 2008 to mitigate and adapt to the adverse impact of climate change.

May/June 2013

112. To successfully integrate the Indian agriculture value chain into the Global Agriculture Value Chains (GAVC), local firms must overcome scale limitations in aggregating dispersed production. Which mechanism is suggested as essential to overcome this hurdle?
(A) Complete elimination of all quality certification agencies and regulatory oversight for exported crops.
(B) Collective action through self-help groups, cooperatives, and producer associations at the upstream of the chain.
(C) Forcing farmers to individually export their raw produce directly to global supermarkets and retail chains.
(D) Banning non-governmental organizations from any form of intermediation or facilitation between various stakeholders.

Oct/Nov 2021

113. Which of the following actions have been suggested by policy makers for increasing competitiveness in the agriculture sector and augmenting farmers' income?
I Finance groups of women and farmers to reduce transaction and risk costs.
II Increase banking outreach to a larger number of customers.
III Identify crops that need long term loans and prepare farm models.
IV Introduce credit products to support post-harvest holding of crops at farms.
V Reexamine the policy on loan collateral and actively pursue collateral substitutes.
Which combination of statements is correct?
(A) (I), (II), (III), and (IV)
(B) (I), (III), (IV), and (V)
(C) (II), (III), (IV), and (V)
(D) (I), (II), (III), (IV), and (V)

May/June 2024

114. What distinguishes "Barren land" from "Cultivable waste"?
(A) Barren land is fit for agriculture but unused; Cultivable waste is naturally toxic and unfarmable.
(B) Barren land is land not fit for agriculture; Cultivable waste is land not under cultivation for more than five years.
(C) Barren land is used only for livestock grazing; Cultivable waste is used exclusively for forestry.
(D) There is no distinction; both terms describe land currently used for double-cropping.

Oct/Nov 2008

115. With land in its geographical dimension being limited, intensive use of land becomes imperative. Given the limited labour absorption capacity of agriculture even with improved technology, what is the most logical structural transition for the excess agricultural workforce?
(A) Immediate emigration to foreign agricultural sectors.
(B) Alternative employment in the rural non-farm sector.
(C) Reversion to nomadic pastoralism.
(D) Forced reduction of the overall population.

May/June 2006

116. An agribusiness firm decides to source fresh produce directly from thousands of highly dispersed small marginal farmers. The firm quickly realizes that transport arrangements, quality assurance mechanisms, and time outlays are prohibitively expensive. To make this efficient, how must the production effort be organized?
(A) Dispersing the farmers even further to avoid local competition and ensure individual farm productivity.
(B) Switching entirely to procuring imported food grains to meet the demands of urban consumers efficiently.
(C) Bypassing the farmers and purchasing exclusively from traditional APMC mandis within the regional territory.
(D) Organizing production in clusters so that distances and time are kept within a manageable level.

Oct/Nov 2017

117. Match the specific agricultural terminologies in List-I with their corresponding definitions in List-II.
List I: (Terminology)

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wholesale markets.

Which combination of statements is correct?

(A) (I) and (II) only
(B) (I) and (III) only
(C) (II) and (III) only
(D) (I), (II), and (III)

Oct/Nov 2012

79. Which of the following is the most appropriate driver of agricultural diversification during the post-Green Revolution period?

(A) A desire to legally mandate mono-cropping across all agro-climatic zones to simplify regional planning.
(B) Economic considerations resulting in a continuous surge for diversified agriculture in terms of crops.
(C) The total elimination of all water technologies and local irrigation networks in rural areas.
(D) A uniform decrease in per capita income and risk tolerance among small and marginal farmers.

May/June 2011

80. How is an "effect-based" environmental indicator defined in the context of agricultural impact?

(A) It looks strictly at the specific fertilization methods that farmers are implementing on their fields.
(B) It considers actual system effects, such as CO_2 emissions or nitrate loss to groundwater.
(C) It measures only the financial cost of purchasing seeds and other seasonal inputs for cultivation.
(D) It evaluates the historical changes in regional land ownership patterns over the last several decades.

Oct/Nov 2020

81. Consider the following statements regarding the factors explaining why non-agricultural sectors grow faster than the agricultural sector in a developing economy:

I The demand for food is less income-elastic than for non-agricultural products.
II There is a decreasing use of inputs from the non-agricultural sector in agriculture.
III Improved roles of marketing services reduce the farmer's share in the consumer rupee.
IV This dynamic is partially explained by Engel's law.
V The urbanization effect increases the farmer's profit margin directly.

Which combination of statements is correct?

(A) (I), (II), and (IV)
(B) (I), (III), and (IV)
(C) (II), (IV), and (V)
(D) (III), (IV), and (V)

May/June 2022

82. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.

Assertion (A): A decline in capital formation warrants a serious study and acts as a constraint to agricultural development.

Reason (R): The Gross Capital Formation (GCF) in agriculture as a proportion to the GVA increased from 13.7% in 2011-12 to 18.2% in 2017-18.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2023

83. Which of the following is not a characteristic of a good organizational structure for agricultural development?

(A) A completely top-down, non-participatory dictation of rules without any local stakeholder input.
(B) A high degree of professional competence.
(C) Meaningful participation of people in planning.
(D) A balanced blend of macro and micro planning.

May/June 2007

84. Identify the incorrect statement regarding the relationship between trees and climate change.

(A) Trees act as a carbon sink by absorbing unwanted greenhouse gases out of the atmosphere.
(B) Removing trees releases carbon dioxide into the atmosphere.
(C) Deforestation assists in the water cycle by increasing water vapor returning back to the

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environment.
(D) When trees are removed, soils tend to dry out because there is no longer shade.

Oct/Nov 2018

85. Consider the following statements regarding the environmental impacts of irrigation:
I Over-irrigation can cause deep drainage from rising water tables leading to irrigation salinity.
II If the soil is under irrigated condition, it results in poor soil salinity control.
III Buildup of toxic salts on the soil surface requires leaching or alternative drainage methods.
IV Irrigation with high-sodium water perfectly restores the formation of alkaline soil to a neutral state.
Which combination of statements is correct?
(A) (I), (II), and (III)
(B) (I), (III), and (IV)
(C) (II), (III), and (IV)
(D) (I), (II), and (IV)

May/June 2023

86. The increasing human and animal population over the decades has led to a specific structural issue where a whole land is broken off or separated into incomplete parts. This phenomenon is technically termed:
(A) Capital formulation
(B) Land fragmentation
(C) Cooperative consolidation
(D) Vertical integration

Oct/Nov 2009

87. To execute the HLEG recommendations, a state plans to build a comprehensive ecosystem encompassing producers, FPOs, agribusinesses, and financiers. This ecosystem is designed to focus entirely on a single crop value chain within the state. This design principle is known as:
(A) Inter-sectoral discrete project allocation
(B) State-led crop value chain clusters
(C) Unorganized sector seed replacement
(D) Input-output demand modeling

May/June 2005

88. An organization in agriculture is fundamentally defined as:
(A) A purely physical infrastructure facility used for the cold storage of harvested perishable crops.
(B) A group of individuals bound by a common purpose to achieve specific given objectives.
(C) A specific type of high yielding seed variety developed through advanced genetic engineering.
(D) An autonomous robotic system designed specifically for the planting of cereal and pulse crops.

Oct/Nov 2010

89. Match the factors influencing crop diversification in List-I with their examples in List-II.
List I: (Factors)
P. Resource related factors
Q. Technology related factors
R. Household related factors
S. Price related factors
List II: (Examples)
1. Food and fodder self-sufficiency requirement
2. Irrigation, rainfall, and soil fertility
3. Output and input prices and trade policies
4. Seed, fertilizer, marketing, and processing technologies
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-4, R-1, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-3, R-2, S-1

May/June 2016

90. Match the broad classifications of emerging issues in Indian agriculture in List-I with their appropriate focus areas in List-II.
List I: (Emerging Issues)
P. Agriculture and environment
Q. Climate change and agriculture
R. Agriculture and international trade
S. Agricultural diversification
List II: (Focus Area)
1. Import substitution versus export promotion
2. Moving from subsistence to market-oriented crop varieties
3. Evaluating "means-based" and "effect-based" indicators
4. Greenhouse gas emissions and shifting growing zones
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-2, Q-1, R-4, S-3

NODIA

Oct/Nov 2025

91. Consider the following issues identified in the Agri-value chain:

I At the farmers' level, there is limited access to better inputs, including credit and technologies, and low marketable surpluses.

II At the market intermediaries' level, there is a dominance of organized corporate trading completely eliminating multiple layers.

III In logistics, the use of open trucks even for perishable produce is the most predominant mode of transport.

Which of the above statements correctly describe the issues?

(A) (I) and (II) only
(B) (I) and (III) only
(C) (II) and (III) only
(D) (I), (II), and (III)

May/June 2012

92. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.

Assertion (A): Land ownership and operation in India presents a case of preponderance of small and marginal farms.

Reason (R): Land reform measures such as land ceiling and land tenancy legislation, along with inheritance laws, have contributed to the fragmentation of land holdings.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2014

93. How is the "Agricultural Value Chain" conceptually defined?

(A) The physical railway network and logistics infrastructure connecting rural production areas to international ports.
(B) The sequence of cyclical weather events determining the volume of monsoon rainfall over a specific decade.
(C) All goods and services necessary for a product to move from the farm to the final customer.
(D) The horizontal integration of multiple separate industries without any sequential transfer of agricultural goods.

May/June 2019

94. Arrange the following agricultural milestones in chronological order based on their implementation/launch:

I. Seed Village Program organization (more than 25,000 seed villages)
II. National Mission for Sustainable Agriculture (NMSA) gaining full operational status
III. Soil Health Card Scheme introduction
IV. Promulgation of the Fertilizer Control Order (FCO)

(A) IV, I, II, III
(B) IV, I, III, II
(C) I, IV, II, III
(D) IV, III, I, II

Oct/Nov 2006

95. What is the primary purpose of the central government coming out with a draft model law to establish a barrier-free market for price discovery?

(A) Consolidating all rural farm holdings into a single state-owned entity for centralized management.
(B) Ending the APMC mandi monopoly and allowing private players to establish alternative wholesale markets.
(C) Permanently fixing the minimum support price of all horticultural crops regardless of market conditions.
(D) Restricting the sale of agricultural produce strictly to the farmer's local village or community.

May/June 2021

96. When is the "Minimum support price" typically fixed by the government?

(A) Immediately after the harvest is sold in the market.
(B) Well in advance of the growing season of the crop.
(C) Exactly during the midpoint of the monsoon season.
(D) Only when a natural calamity severely damages the crop.

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Oct/Nov 2008

73. Identify the correct statement regarding the impact of pesticides.
(A) Pesticides always precisely target and affect only the intended pest species without any runoff.
(B) Repeated application of pesticides decreases pest resistance over time.
(C) The global spread of pesticide use has completely eliminated the use of older/ obsolete pesticides.
(D) Over 98% of sprayed insecticides reach a destination other than their target species.

May/June 2006

74. A state government relies on the local village panchayat to manage the distribution of developmental funds. However, over time, the system becomes inefficient due to increased political interference and dominance by a few influential persons. This situation necessitates:
(A) Completely abandoning all forms of community organization in favor of individualized agricultural production.
(B) Privatizing the entire village governance structure and administrative operations immediately without transition.
(C) Significant groundwork to make the panchayat system effective enough to deliver goods and services equitably.
(D) Replacing the panchayat system with discrete industrial units that focus solely on fertilizer production.

Oct/Nov 2017

75. Consider the following recommendations made by the HLEG for doubling agriculture exports:
I Prioritizing 22 crop value chains.
II Implementing state-led crop value chain clusters.
III Building well-funded state-led value-chain specific export plans anchored by the public sector only.
IV Setting up a two-part Centre-state institutional framework.
V Ensuring convergence of central, state, and Agricultural Export Policy schemes.
Which of the statements are accurately aligned with the HLEG's vision?
(A) (I), (II), (IV), and (V)
(B) (I), (II), (III), and (V)
(C) (II), (III), (IV), and (V)
(D) (I), (III), (IV), and (V)

NODIA

May/June 2008

76. Consider the following features proposed by the Model Land Leasing Act 2016:
I Legalize land leasing to promote agricultural efficiency.
II Ensure complete security of land ownership right for landowners.
III Introduce strict clauses of adverse possession to protect tenants indefinitely.
IV Allow automatic resumption of land after the agreed lease period without requiring minimum area left with the tenant.
V Incentivize tenants to make investment in land improvement.
Which combination of statements represents the actual features of the Act?
(A) (I), (II), (III), and (IV)
(B) (I), (II), (IV), and (V)
(C) (II), (III), (IV), and (V)
(D) (I), (III), (IV), and (V)

Oct/Nov 2013

77. The Ministry of Environment, Forest and Climate Change (MoEFCC) acts as a National Implementing Entity for several important funding arrangements. Which of the following are included in these arrangements?
I Adaptation Fund
II National Adaptation Fund for Climate Change
III Green Climate Fund
IV International Monetary Fund Agriculture Grant
V World Bank Export Subsidy Fund
Which combination of statements is correct?
(A) (I), (II), and (III)
(B) (II), (IV), and (V)
(C) (I), (III), and (V)
(D) (I), (II), and (IV)

May/June 2015

78. Consider the following statements regarding the Agricultural Produce and Livestock Marketing (Promotion and Facilitating) Act (APLM), 2017:
I It seeks to end the monopoly of the traditional APMC mandis.
II It forces all farmers to sell produce exclusively through state-owned wholesale markets.
III It allows private players and others to set up

coverage.

May/June 2009

104. Which of the following best describes the core operational focus of the National Mission for Sustainable Agriculture (NMSA)?
(A) Eradicating all forms of commercial farming and returning to purely subsistence methods.
(B) Focusing on large-scale urban reforestation projects.
(C) Eliminating the use of organic farming in favor of heavily customized synthetic fertilizers.
(D) Transforming Indian agriculture into a climate-resilient production system through suitable adaptation and mitigation measures.

Oct/Nov 2011

105. Which of the following is not a stated objective of the Model Land Leasing Act, 2016?
(A) To permit and facilitate leasing of agricultural land.
(B) To improve access to land by the landless and marginal farmers.
(C) To permanently transfer land titles from large owners directly to the state.
(D) To legalize land leasing in all areas to ensure complete security of land ownership right.

May/June 2010

106. Identify the incorrect statement regarding the continuation of the National Food Security Mission beyond the 12th plan (2017-18 to 2019-20).
(A) It is co-terminus with the Fourteenth Finance Commission period.
(B) It set a new target to achieve 13 million tons of additional food grains production.
(C) The target included Coarse Cereals production of 2 million tons.
(D) The target for Rice was increased to 10 million tons for this period.

Oct/Nov 2024

107. Identify the correct pair of keyword definitions.
(A) Climate Change - Includes both global warming caused by humans and its impacts on Earth's weather patterns.
(B) Capital - Goods naturally occurring in the environment without human intervention.
(C) Extensive cultivation - Cultivation involving large areas with higher cropping intensity.
(D) Food security - Defined strictly as producing enough grain to export a surplus.

May/June 2017

108. Which of the following is not typically an issue faced at the processor/user industry level within the Agri-value chain?
(A) Absence of aggregation mechanism for primary cultivation
(B) Quality of raw materials sourced
(C) Product standards
(D) Food safety and hygiene issues

Oct/Nov 2005

109. Identify the correct statement reflecting the recent environmental challenges in agriculture.
(A) All pesticide residues in plants and soil have completely vanished due to the recent adoption of organic farming.
(B) Over-irrigation has successfully stabilized water tables in a uniform manner across every agro-climatic zone.
(C) Advanced technologies for mitigating environmental problems in agriculture are non-existent in the community.
(D) Environmental issues like falling water tables and soil salinity have become significant in certain regions.

May/June 2020

110. Identify the incorrect statement regarding the programs mapped and subsumed under the NMSA during the Twelfth Five Year Plan.
(A) It envisages sustainable agriculture growth through seventeen deliverables.
(B) The National Mission on Micro Irrigation (NMMI) is subsumed under NMSA.
(C) The National Seed Project Phase-III is a newly subsumed program directly under NMSA.
(D) The National Project on Organic Farming (NPOF) is subsumed under NMSA.

Oct/Nov 2015

111. Identify the correct statement regarding the National Action Plan on Climate Change (NAPCC).
(A) It is a completely privatized insurance scheme for livestock.
(B) It was designed exclusively to promote

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(D) To ensure that physical resources remain disorganized to prevent potential soil depletion and erosion.

Oct/Nov 2019

61. During the harvest season, a massive influx of perishable commodities arrives at a local market yard. Because there are no adequate on-farm storage or extended storage facilities, the price of the commodities crashes drastically. This scenario highlights a failure in which aspect of agricultural development?
(A) Land tenancy legislation
(B) Input marketing
(C) Marketing of produce and infrastructure
(D) Gross capital formation by the public sector

May/June 2009

62. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.
Assertion (A): The net impact of climate change on agricultural production is uncertain, but it is likely to shift the suitable growing zones for individual crops.
Reason (R): Rising carbon dioxide levels, temperature fluctuations, and glacial run-off alter the carrying capacity of the biosphere.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2011

63. Identify the incorrect pair regarding constraints in agricultural development.
(A) Public Investment - Land improvement and purchasing agricultural implements.
(B) Land Fragmentation - Per capita availability of land projected to slide to 0.20 hectares in 2035.
(C) NITI Ayog Committee Chair - Dr T Haque.
(D) Agricultural Co-operation - Benefiting from economies of scale in production and marketing.

May/June 2010

64. The High-Level Expert Group (HLEG) set up by the 15th Finance Commission recommends prioritizing 22 crop value chains. They emphasize establishing lighthouses in 7 specific crop value chains with a focus on which primary destination markets?
(A) South America, Central Africa, and Australia
(B) Southeast Asia, Japan, and South Korea
(C) The United States, the European Union, and the Middle East
(D) Eastern Europe, Russia, and Central Asia

NODIA

Oct/Nov 2024

65. Which of the following makes it relatively easy to measure activities performed, set goals, and assess success in certain types of projects compared to general agricultural development?
(A) When the projects deal with overlapping behavioral patterns of community health and family planning.
(B) When the goals are deeply intertwined with different sets of unquantifiable social forces.
(C) When organizing farmers into political structures without clear institutional frameworks.
(D) When dealing with discrete projects, such as fertilizer production and power generation.

May/June 2017

66. Identify the correct statement regarding the relative importance of factors influencing crop diversification over time.
(A) Indian agriculture is increasingly getting influenced by economic factors due to rural market penetration and infrastructure development.
(B) Small farmers are increasingly guided solely by non-economic factors like traditional beliefs over economic incentives.
(C) Government price and trade policies are becoming entirely obsolete in directing area allocation decisions.
(D) Agricultural growth currently results more from massive area expansion than from productivity improvement.

Oct/Nov 2005

67. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.

P. Horizontal integration
Q. Vertical integration
R. Intensive cultivation
S. Extensive cultivation

List II: (Definition)
1. Cultivation involving large areas
2. Cultivation involving small area with higher cropping intensity
3. Relates to the whole range of planning activities involving various sectors at the regional level
4. Integration of national and regional planning

(A) P-4, Q-3, R-1, S-2
(B) P-2, Q-1, R-4, S-3
(C) P-1, Q-2, R-3, S-4
(D) P-3, Q-4, R-2, S-1

May/June 2008

118. Identify the correct statement regarding NABARD's interventions in the value chain.
(A) NABARD strictly discourages investments in biotechnology for tissue culture plant material.
(B) NABARD prioritizes individual subsistence farming over any value chain integration.
(C) NABARD mandates that all post-harvest warehousing must be managed exclusively by foreign multinational companies.
(D) NABARD advocates for "Integrated Value Chain" financing models and investments in supply chain management.

Oct/Nov 2013

119. Identify the incorrect statement regarding the Global Agriculture Value Chains (GAVC) integration.
(A) Strengthening the AVC and linking them into the GAVC increases the competitiveness of agriculture exports.
(B) Most of the Indian agricultural value chain firms focus on the local market.
(C) Collective action in the form of self-help groups is essential to overcome scale limitations.
(D) The agricultural value chain system in India is highly organized, and all local firms have surplus capacities to export.

May/June 2015

120. Match the NMSA major components in List-I with their specific aims in List-II.

List I: (NMSA Component)
P. Rain fed Area Development (RAD)
Q. On-Farm Water Management (OFWM)
R. Soil Health Management
S. Climate Change & Sustainable Agriculture Modelling

List II: (Aim)
1. Enhancement of water use efficiency by promoting micro irrigation
2. Promotion of location/crop specific residue management and organic farming
3. Dissemination of rain fed technologies and capacity building trainings
4. Integrated Farming System to maximize returns and mitigate climatic aberrations

(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-4, R-1, S-2
(D) P-2, Q-3, R-4, S-1

Oct/Nov 2012

121. Consider the following statements regarding Water Use Efficiency (WUE):
I It is defined as the amount of carbon assimilated as biomass or grain produced per unit of water used by the crop.
II Climate change will affect plant growth, but opportunities exist to enhance WUE.
III Crop selection can offset the impact of a changing climate on WUE.
IV Cultural practices can also be utilized to enhance WUE.

Which combination of statements is correct?
(A) (I) and (II) only
(B) (III) and (IV) only
(C) (I), (II), and (III) only
(D) (I), (II), (III), and (IV)

May/June 2011

122. A state seeks to improve the quality of life of Small and Marginal Farmers (SMF) by offering a complete package of activities to maximize farm returns. It implements a sub-scheme under the Rashtriya Krishi Vikas Yojana (RKVY). Which specific program does this describe?
(A) Model Land Leasing Act
(B) Essential Commodities Act
(C) Rainfed Area Development Program
(D) Seed Village Program

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26. (D) Livestock contributed 4.19% of total national GVA, while fisheries contributed 1.24% of total national GVA.
National Accounts Statistics provide a detailed breakdown of the economic contribution of various sub-sectors. Within the total national gross value added, the livestock sector contributes approximately four point one nine percent. Fisheries, while smaller in scale, provide about one point two four percent. These figures demonstrate the significant, though varied, roles that allied activities play in supporting the broader Indian economy.

27. (A) The transferred labour was underemployed, and agricultural mechanization successfully compensated for the reduction in manpower.
The transfer of labour from agriculture to urban industry is possible when there is a high degree of underemployment in rural areas. In such cases, the marginal productivity of some workers is nearly zero. As these surplus workers move to other sectors, the adoption of mechanization and improved technologies ensures that the remaining workforce can maintain or even increase total output.

28. (A) The provision of milk, fiber, meat, eggs, and organic by-products along with animal draught power.
Livestock raising is a critical component of the rural economy, providing a diverse range of essential products and services. Beyond contributing milk, meat, and eggs to the food supply, it provides valuable fibers and organic by-products used in various industries. Additionally, animals continue to serve as a vital source of draught power for agricultural operations in many different regions.

29. (C) A process enabling human potential by building collective capacity to manage resources and livelihoods effectively.
In the context of human realization, economic development is viewed as a holistic process that goes beyond simple growth in income. It involves building the collective capacity of individuals to manage their resources and livelihoods effectively. This approach emphasizes the fulfillment of human potential and the creation of systems that allow people to live healthy, productive, and meaningful lives within communities.

30. (D) Land and labour
Agricultural operations rely on several key resources, but land and labour remain the most fundamental factors of production. Land provides the physical space and natural nutrients necessary for crop growth, while labour involves the human effort and skill required to manage the cultivation process. The combination and efficient management of these two resources largely determine the success of farming enterprises.

NODIA

31. (C) Unpredictable taxes to maximize immediate state revenue
A functioning market economy requires a stable and predictable environment for businesses to thrive. Key elements include an outward trade orientation, easy entry and exit for firms, and price stability supported by balanced government budgets. Conversely, unpredictable tax policies are detrimental as they create uncertainty, discourage long-term investment, and hinder the efficient allocation of resources within the competitive market framework.

32. (B) The Green Revolution
The Green Revolution introduced high-yielding variety seeds and intensive chemical inputs supported by irrigation. While this phase led to a massive increase in agricultural productivity, it also resulted in several environmental challenges. Problems such as water logging and increased soil salinity often emerged in areas where intensive irrigation was practiced without adequate drainage, illustrating the complex trade-offs associated with technological shifts.

33. (B) P-2, Q-4, R-1, S-3
Inter-sectoral linkages describe the interdependence between different parts of the economy. Direct effects represent the initial impact of demand changes on a supplying industry. Indirect effects follow through subsequent rounds of exchange. Backward linkages are measured by the inputs a sector purchases from others, while forward linkages are defined by the intermediate outputs a sector sells to other industries.

ANSWERS

1. (D) P-3, Q-1, R-4, S-2
Diverse soil types are distributed across India based on geological and climatic factors. Alluvial soils dominate the Indo-Gangetic plains including Uttar Pradesh and Punjab. Vertisols, known for moisture retention, prevail in the Deccan trap regions like Maharashtra. Alfisols are found in southern states like Tamil Nadu, while Lateritic soils are prominent in specific hilly and high rainfall regions.

2. (C) P-1, Q-3, R-4, S-2
India maintains significant production levels across various allied agricultural sectors to ensure food security and economic stability. Milk production reached high volumes of 187.7 million metric tons by 2019. Meat and wool industries contribute substantially to the rural economy through annual outputs of 8.1 million metric tons and 40.4 million kilograms respectively, alongside a growing fisheries sector.

3. (D) Assertion (A) is false, but Reason (R) is true.
The growth in horticulture production during recent years resulted from a combination of factors rather than productivity alone. While overall production hit record levels, expansion in the area under cultivation played a significant role. Specifically, onion crops saw a substantial increase in land area by over eleven percent, contributing notably to the total output of the entire sector.

4. (D) Assertion (A) is false, but Reason (R) is true.
A reduction in the percentage contribution of agriculture to national income is a standard feature of economic development and does not imply a loss of importance. The agricultural sector remains vital because it provides essential food supplies, raw materials for industries, and creates a massive market for various industrial goods and service sector offerings within the broader national economy.

5. (A) (I) and (II) only
Trends in Indian land utilization show a consistent decrease in the average size of operational holdings due to population pressure and inheritance laws. Data from the early two thousands to 2016 confirms that marginal holdings have increased significantly in number. Conversely, the total area operated by large holdings has seen a decline rather than an increase during this period.

6. (B) Indian agriculture offers foreign exchange potential due to low import intensity of exports and competitive labour costs.
Agricultural exports provide a significant advantage for the national economy due to the low requirement for imported inputs during production. This low import intensity, combined with competitive costs for labour, enhances the net foreign exchange earnings. Diverse agro-climatic conditions further allow for the cultivation of a wide variety of crops suitable for various demanding global consumer markets.

7. (B) 3.0%
During the fiscal year 2020-21, the agriculture and allied activities sector demonstrated resilience by maintaining a positive growth rate amidst broader economic challenges. The sector achieved a growth of three percent at constant prices. This performance highlights the critical role of farming and related activities in providing stability to the overall national gross value added during difficult times.

8. (B) Uncertain prices of agricultural produce are the product of the economic environment.
Farming operations face various risks categorized by their origins, including natural, technical, and economic factors. Uncertain prices for agricultural produce are primarily a result of the economic environment and market fluctuations. Unlike natural risks such as weather or pests, price volatility stems from supply-demand dynamics and broader macroeconomic shifts that affect the profitability of agricultural enterprises over time.

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emotional attachments to specific plots, making it a complex process.

42. (A) Only (I) is correct
Modernization in agriculture has led to a significant increase in backward linkages as farmers increasingly rely on industrial inputs like fertilizers, pesticides, and machinery. These inputs are purchased from other sectors, stimulating industrial growth. However, the definition of forward linkages as the ratio of intermediate inputs purchased is incorrect; that metric actually defines backward linkages, while forward linkages relate to sales.

43. (B) (II) and (IV) only
The induced innovation hypothesis suggests that technical change in agriculture is not random but is driven by economic incentives. According to this theory, changes in relative factor prices stimulate the development of new production methods that conserve expensive resources. Success in this process depends on farmers having access to accurate information regarding weather patterns and market prices to guide their innovations.

44. (D) Potential capital - Credit defined as the capacity to borrow money
Agricultural capital is classified into various categories based on its function and form. Social overhead capital includes public utilities, while working capital consists of seasonal inventories. Fixed capital refers to long-term assets like machinery. Potential capital is a unique concept defined as credit or the capacity of a farmer to borrow money, which allows for the future acquisition of other resources.

45. (C) Relieves scarcity by increasing aggregate supplies, although it may lead to ground water over-exploitation.
Technological advancements in agriculture, such as high-yielding seeds and efficient pumps, help relieve resource scarcity by boosting aggregate food supplies. This often leads to lower prices, benefiting consumers. However, such changes can have unintended environmental consequences, such as the over-exploitation of groundwater. This highlights the need for sustainable management practices to ensure that technological benefits do not come at a cost.

46. (B) Backward linkage
When the agricultural sector purchases inputs from the industrial sector, such as fertilizers or farm machinery, it creates what is known as a backward linkage. This type of linkage stimulates growth in the supplying industries as they increase production to meet farming demands. Strengthening these connections is a key feature of agricultural modernization, as it integrates the farm economy more deeply.

47. (B) Muriate of Potash (MOP)
India faces varying levels of self-sufficiency in fertilizer production across different nutrient types. While the country has significant capacities for producing Urea and some complex fertilizers, it remains entirely dependent on imports for Muriate of Potash. The lack of domestic potash mineral deposits necessitates that the entire national requirement for this essential nutrient be met through international trade to support productivity.

48. (D) Assertion (A) is false, but Reason (R) is true.
Import substitution is a strategy where a nation attempts to replace foreign imports with domestic production to achieve self-sufficiency. While the definition of the concept is correct, the assertion that it is universally accepted as the best way to boost long-term productivity is false. Many economists argue that export promotion and market competition are more effective than protected import substitution for growth.

49. (A) III, IV, II, I
The development of the Indian seed industry has followed a structured timeline of policy interventions. The process began with the early phases of the National Seed Project, specifically Phase-I and Phase-II. These were followed by the introduction of the New Seed Development Policy, which modernized regulatory frameworks. Finally, more recent initiatives like Phase-III of the National Seed Project were implemented.

50. (C) Efficiency
In agricultural management, the process of judiciously allocating resources such as labour, machinery, and water to achieve the highest possible net benefit is known as efficiency. It involves making strategic choices to maximize output or profit while minimizing waste.

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17. (A) Market Contribution - Exporting surplus commodities to earn foreign exchange.
Agriculture supports economic development through various channels including product, factor, and market contributions. While product contribution involves providing food and raw materials, and factor contribution involves releasing labour, market contribution specifically refers to the sector's role in providing demand for industrial goods. The earning of foreign exchange through exports is technically categorized as a product contribution to the national economy.

18. (A) South-west monsoon
The South-west monsoon is the primary climatic phenomenon responsible for the majority of rainfall received in India between June and September. This seasonal wind system is crucial for the Kharif cropping season, as it provides the necessary moisture for rain-fed agriculture. Its arrival and intensity significantly influence the annual agricultural output and the overall economic performance of the entire country.

19. (D) From 106 billion to 136 billion eggs.
Under the national strategy to double farmers' income, the poultry sector has been identified as a high-growth area. The government has set ambitious targets for egg production to enhance rural livelihoods and nutritional security. Specifically, the plan aims to increase national egg production from approximately 106 billion to 136 billion eggs annually, reflecting a focused effort on livestock diversification.

20. (A) Subsistence and semi-subsistence agriculture
Farming systems characterized by a high reliance on family labour and the consumption of the majority of the harvest within the household define subsistence agriculture. In this setting, only a minimal surplus is sold in the market, and production is primarily aimed at meeting basic survival needs rather than profit maximization. This form remains very common among marginal farmers with limited land.

21. (B) (I), (III), and (IV)
Several economic principles explain why non-agricultural sectors often outpace agriculture in growth. Engel's law indicates that as incomes rise, the proportion spent on food decreases, making food demand less income-elastic. Additionally, the increasing role of intermediaries in marketing can reduce the actual share received by farmers. These factors combined lead to a faster relative expansion of industrial and service industries.

22. (B) The production, distribution, exchange, and consumption of various plant and animal origin products.
An agricultural economy encompasses the entire spectrum of economic activities related to products of plant and animal origin. This includes the initial production phase, the distribution networks, the mechanisms of exchange, and the final consumption of agricultural goods. It moves beyond mere cultivation techniques to focus on the social and economic systems that manage these resources within a broader framework.

23. (D) Crops and forestry
Structural transformation within the primary sector is characterized by a shift in importance from traditional crop cultivation and forestry toward high-value activities. Recent economic data indicates that livestock and fisheries are growing at a faster pace than the crop sector. This transition reflects changing dietary patterns and the increasing commercial potential of animal husbandry and aquaculture in the modern landscape.

24. (D) Providing food, employment, a market for non-agricultural goods, and a source of foreign exchange earnings.
Agriculture plays a multi-faceted role in the development of a nation. It serves as the primary source of food security and provides employment to a large portion of the workforce. Furthermore, it creates a vital market for industrial products and contributes to the balance of payments by earning foreign exchange through the export of surplus commodities and value-added goods.

25. (B) (I), (II), and (III)
Accurate land utilization statistics are essential for agricultural planning and resource management. The total reporting area for land use in India is over three hundred million hectares. Cultivated land is measured as the sum of current fallows and the net area sown. Cropping intensity serves as an indicator of land use efficiency, calculated by comparing total cropped area with net area.

NODIA

Oct/Nov 2020

123. Country A can produce a specific agricultural crop at a lower opportunity cost than Country B. Consequently, Country A decides to specialize in this crop and trades with Country B for machinery. This scenario is a direct application of which economic concept?
(A) Absolute magnitude
(B) Subsistence agriculture
(C) Comparative Advantage
(D) Disembodied technical change

May/June 2022

124. Consider the following statements regarding Technical Change:
I It refers strictly to the fluctuation in the market price of agricultural commodities.
II It is a change in the process of production or introduction of new inputs such that increased output can be obtained from the same bundle of inputs.
Which of the above statements is/are correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

Oct/Nov 2023

125. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option.
Assertion (A): Food security is defined as access by all people at all times to the food required for a healthy life.
Reason (R): The National Food Security Mission was launched to decrease the annual production of rice and wheat to manipulate global market prices.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

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34. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The Soil Health Card Scheme is a government initiative designed to improve agricultural productivity through scientific soil management. By issuing cards every three years, the scheme ensures that farmers have up-to-date information on the nutrient status of their land. These cards provide specific recommendations on the appropriate dosage of fertilizers, helping to prevent soil degradation and optimize the use of inputs.

35. (A) Its supply cannot be rapidly increased or reduced.
The supply of labour in the agricultural sector is generally characterized by its lack of flexibility. Unlike other industrial sectors where hiring and firing can occur quickly, agricultural labour is often tied to family structures and seasonal cycles. This makes it difficult to rapidly increase or reduce the workforce in response to short-term market signals, leading to issues like underemployment.

36. (A) Over-reliance on 100% automated robotic planting
While Indian agriculture faces several significant hurdles, reliance on automated robotic planting is not one of them, as mechanization levels remain relatively low. Instead, the sector is constrained by issues related to land ownership, fragmented holdings, and inadequate capital formation. Furthermore, challenges in marketing infrastructure and organizational efficiency continue to hinder the ability of farmers to realize the full value.

37. (A) The concept describing inter-sectoral interdependence where one industry's output serves as another's input.
Inter-sectoral linkages refer to the complex web of interdependence between different sectors of an economy, such as agriculture, industry, and services. This concept describes how the output of one industry often serves as a crucial input for another. Understanding these connections is vital for economic planning, as growth in one sector can stimulate demand and production across various other linked industries.

38. (D) A ratio between change in output and change in input use.
Marginal productivity is a fundamental concept in economics used to measure the efficiency of resource use. It is defined as the ratio between the change in total output and the change in the amount of a specific input used. This metric helps producers determine the optimal level of inputs, such as fertilizer or labour, needed to maximize production without incurring diminishing returns.

39. (D) The organized sector accounts for about 90-95% of the total seeds distributed in the country.
Quality seeds are vital for agricultural productivity, contributing significantly to total crop yields. The Indian seed program follows a structured multiplication chain including breeder, foundation, and certified seeds. However, the organized seed sector does not dominate the market to the extent of ninety percent. A large portion of the seed used by farmers still comes from the unorganized sector and farm-saved sources.

NODIA

40. (D) Export promotion strategies that encourage outward orientation and minimize government interventions in the market.
The remarkable economic success of East Asian nations such as South Korea and Singapore is largely attributed to their outward-looking trade policies. These countries prioritized export promotion strategies that encouraged global competitiveness and minimized direct government market interventions. This approach allowed these economies to integrate into the global market and achieve rapid, sustainable growth in industrial productivity over several decades.

41. (B) Consolidation of fragmented land holdings has been universally positive in both irrigated and dry land agriculture.
Land reforms in India have traditionally focused on the abolition of intermediaries, tenancy regulations, and land ceilings. While consolidation of fragmented holdings is intended to improve efficiency, it has not been universally successful or positive in all agricultural contexts. Challenges in implementing consolidation often arise due to variations in soil quality and

59. (C) P-3, Q-1, R-2, S-4
The Indian seed system is organized into distinct categories to ensure quality and availability. Breeder seeds are the foundation of the multiplication chain, providing the necessary safeguards for genetic purity. While State Seed Certification Agencies manage quality control, the unorganized sector still handles a large portion of farm-saved seeds. Initiatives like the Seed Village Program aim to improve these qualities.

60. (B) To coordinate and utilize various factors of production to achieve specific economic and operational goals.
Entrepreneurship in the agricultural context involves the critical task of coordinating and utilizing various factors of production. A manager must make strategic decisions regarding land use, labour deployment, and capital investment to achieve specific economic goals. This role is fundamental because it brings organization to physical and biological resources, ensuring that they are managed in a way that maximizes output.

61. (C) Marketing of produce and infrastructure
When a sudden influx of perishable crops leads to a drastic price crash in local markets, it highlights a deficiency in the marketing infrastructure and storage facilities. Without adequate on-farm or cold storage options, farmers are forced to sell their entire harvest immediately, regardless of market demand. Improving these facilities is essential for stabilizing prices and ensuring that farmers receive fair returns.

62. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Climate change poses a significant threat to agriculture as it alters the environmental conditions necessary for crop growth. Rising temperatures and fluctuating carbon dioxide levels can shift the traditional growing zones for various crops, making some regions less suitable while opening others. These changes affect the carrying capacity of the biosphere, leading to high levels of uncertainty regarding future production.

63. (A) Public Investment - Land improvement and purchasing agricultural implements.
Agricultural development is influenced by both public and private investment, which target different areas. Public investment typically focuses on large-scale infrastructure such as irrigation systems and power generation. In contrast, activities like land improvement and the purchase of specific agricultural implements are generally the responsibility of private investors or individual farmers. Identifying these roles correctly is vital for understanding capital formation.

64. (C) The United States, the European Union, and the Middle East
The High-Level Expert Group from the 15th Finance Commission identified specific priority areas to boost agricultural exports. To maximize the impact, they recommended establishing lighthouses in key crop value chains. These efforts are particularly focused on major destination markets including the United States, the European Union, and the Middle East. Targeting these high-value markets is essential for increasing global competitiveness.

65. (D) When dealing with discrete projects, such as fertilizer production and power generation.
Assessing success and measuring goals is significantly easier in discrete industrial projects compared to broader agricultural development programs. Projects such as power generation or fertilizer production have quantifiable outputs and clear technical parameters. In contrast, agricultural development is deeply intertwined with complex social forces and human behavioral patterns, making it much harder to isolate variables and measure direct impacts of policies.

66. (A) Indian agriculture is increasingly getting influenced by economic factors due to rural market penetration and infrastructure development.
The drivers of crop diversification in India have shifted over time as the economy becomes more integrated. Economic factors, such as relative prices and market demand, are increasingly influencing the decisions of even small farmers. This shift is supported by improved rural infrastructure and greater market penetration,

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Achieving high efficiency is essential for farmers to remain competitive and sustainable, especially when operating with fixed assets and limited financial capital.

51. (D) Land tenancy
The distinction between the ownership of land and its actual operation often arises through the system of land tenancy. In this arrangement, a cultivator who does not hold the legal title to the land actively tills it and pays a portion of the harvest or cash rent to the owner. Tenancy has significant implications for investment in land improvement and income distribution.

52. (B) (II) and (III) only
Economic history shows that as nations develop, the dominance of industry and services sectors increases relative to agriculture. However, agriculture remains a vital component of the economy, particularly in developing countries, because it is generally less capital-intensive and provides employment to a vast number of people. Contrary to the idea of higher agricultural incomes, earnings in the non-agricultural sectors are typically higher.

53. (C) It can be rapidly expanded in its geographical dimension indefinitely.
Land as a productive resource possesses several unique characteristics, including its immobility and wide variations in fertility across different regions. Most importantly, land is fixed in its total geographical quantity. Therefore, the assertion that land can be rapidly and indefinitely expanded in its physical dimension is incorrect. To increase total production, farmers must instead focus on intensive cultivation and improving the yield.

54. (A) (II), (III), and (IV)
The use of chemical fertilizers in India has seen significant growth, but also several structural imbalances. There is a documented decline in the marginal productivity of soil in response to fertilizer application over time. Furthermore, price subsidies have led to a skewed application pattern favoring urea over more balanced complex fertilizers. Addressing these issues through soil analysis is necessary to restore health.

55. (A) Changes in techniques of production resulting from scientific research and experience.
Technical change in the agricultural sector is broadly defined as the evolution of production processes resulting from scientific research and practical experience. It involves the introduction of new inputs or improved methods that allow farmers to obtain a greater volume of output from the same amount of resources. This continuous improvement is a primary driver of long-term productivity growth and economic development.

56. (A) Agriculture, being a primary sector, inherently possesses massive and strong backward linkages before modernization.
Traditional, non-modernized agriculture is characterized by weak backward linkages because it relies primarily on farm-saved inputs rather than industrial products. As the sector modernizes, these linkages strengthen through the purchase of fertilizers and machinery. Conversely, forward linkages are often strong early on, as industries like textile manufacturing and grain milling depend on agricultural outputs as their primary raw materials for further processing.

57. (A) It necessitates the expansion of subsistence farming to absorb displaced labour.
Technological change in agriculture generally provides macro-level benefits such as increased food supply, lower consumer prices, and improved overall welfare. It allows for higher production levels with relatively less human labour. However, the idea that technological advancement necessitates the expansion of subsistence farming to absorb displaced workers is incorrect; rather, it typically encourages the transition of surplus labour into other sectors.

58. (A) Transforming inputs like materials and services into goods and services (output).
At its core, an agricultural economy functions by transforming various productive resources into valuable goods and services. This involves taking inputs such as seeds, fertilizers, water, and human labour and processing them through biological cycles to produce outputs like food grains and livestock products. Understanding this transformation process is essential for analyzing the efficiency and productivity of the entire agricultural system.

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9. (B) Population not exceeding 10,000
The Reserve Bank of India utilizes specific population thresholds to categorize regions for banking and credit allocation purposes. Based on the 2011 Census data, a village or town is classified as a rural area if its total population does not exceed ten thousand. This definition helps financial institutions target their rural lending and development programs more effectively across the country.

10. (C) To plan and manage agricultural development based on specific regional agro-climatic conditions.
The division of the country into fifteen distinct agricultural regions was a strategic move aimed at scientific planning. This classification allows for the management of agricultural development by accounting for specific regional variations in climate, soil types, and water availability. Tailoring policies to these agro-climatic conditions ensures more effective resource utilization and improved productivity across diverse geographical areas.

11. (D) It shows the share declines slower because the definition includes the value of agricultural inputs and processing.
When agriculture is viewed through the broader lens of agri-business, the perceived decline in its economic share appears less drastic. This comprehensive definition incorporates not only primary production but also the value added through agricultural inputs, processing, and distribution services. Including these linked activities provides a more accurate representation of the sector's total contribution to the national economy.

12. (C) The agriculture and allied sector in overall Gross Value Added increased by 16.3% to reach 303.34%.
Macroeconomic data reveals that approximately sixty percent of rural households in India continue to rely on agriculture for their primary livelihood. While the sector showed growth in areas like Kharif sowing during 2020-21, the claim regarding a percentage increase to over three hundred percent is statistically incorrect. The actual share of agriculture in total gross value added remains lower.

13. (A) Mono-cropping involves one crop per season, while double-cropping involves growing two crops in sequence within a single year.
Cropping patterns are defined by the frequency and sequence of planting within a single agricultural year. Mono-cropping is the practice of growing only one crop during a season. In contrast, double-cropping involves the cultivation of two crops in succession on the same piece of land within one year, thereby increasing land use efficiency and the total annual output.

14. (C) The average size of medium holdings increased from 5.74 hectares in 2005-06 to 6.37 hectares by 2015-16.
Fragmentation of land is a major challenge in Indian agriculture, driven largely by the legal systems governing inheritance. While the number of marginal and small farms is rising, the average size of holdings in most categories is generally trending downwards. The assertion that the average size of medium holdings increased between 2005 and 2016 contradicts these observed long-term patterns.

15. (D) Agriculture must be fully integrated with the rest of the economy.
For agriculture to maximize its market contribution, it must transition from a semi-subsistence state to a fully integrated component of the national economy. This integration involves increased commercialization where farmers produce surpluses for sale and purchase industrial inputs. Strengthening these links allows the agricultural sector to provide more robust support for industrial growth and overall national economic development.

16. (C) Both (I) and (II) are correct
Indian agriculture has witnessed a significant structural shift as horticulture and livestock sectors exhibit high growth rates. Horticulture production has consistently exceeded food grain production for nearly a decade, reflecting changing consumer preferences. Similarly, the livestock sector has maintained a robust compounded annual growth rate of over eight percent, becoming a crucial driver of rural economic prosperity and stability.

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which allow farmers to respond to price signals rather than relying solely on subsistence.

67. (D) Assertion (A) is false, but Reason (R) is true.
Land ceiling laws are designed to ensure equitable distribution but can sometimes limit the ability of farmers to scale up operations and fully exploit modern technologies. While the assertion that these laws facilitate full exploitation is false, the reason provided is true. Removing such ceilings could indeed help some farmers acquire larger, more economic holdings better suited for advanced mechanization.

68. (B) Means-based indicator and Effect-based indicator
Environmental monitoring in agriculture utilizes different types of indicators to assess impact. A means-based indicator focuses on the specific practices implemented by the farmer, such as the quantity of fertilizer applied. An effect-based indicator, on the other hand, measures the actual physical impact on the environment, such as the concentration of nitrates that have leached into the local groundwater aquifer.

69. (A) P-3, Q-4, R-1, S-2
Deforestation is driven by several human activities, each contributing a different percentage to the total loss of forest cover. According to research by Norman Myers, slash-and-burn farming is the largest contributor, accounting for over fifty percent of deforestation. Other significant factors include cattle ranching, logging, and the expansion of plantations, each playing a varied role in the degradation of resources.

70. (C) Main agricultural inputs are water, fertilizer, power, and credit.
Agricultural input marketing is a critical sector that manages the distribution of essential resources needed for crop production. The main components of this market include water, chemical fertilizers, power for irrigation, and financial credit. Providing farmers with timely and affordable access to these inputs is fundamental for improving yields and ensuring that modern agricultural technologies are successfully adopted across regions.

71. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Decisions regarding area allocation for different crops vary significantly between large and small farmers due to their different economic constraints. Larger farmers typically have more flexibility to base their decisions on market price signals and potential profits. In contrast, smaller farmers are often driven by the immediate need for food and fodder self-sufficiency, as well as significant investment limitations.

72. (C) Both (I) and (II) are correct
Capital formation in the agricultural sector is the result of both private and public efforts. Private investment is behavioral in nature, with individual farmers investing in livestock, tools, and small-scale land improvements. Government investment acts as a policy variable, focusing on large-scale infrastructure projects like massive irrigation networks and power grids. Both types of investment are necessary to create productive environments.

73. (D) Over 98% of sprayed insecticides reach a destination other than their target species.
The use of chemical pesticides in agriculture has significant environmental drawbacks. Scientific studies have shown that a vast majority of sprayed insecticides, often over ninety-eight percent, reach destinations other than the intended target pests. This leads to widespread contamination of soil and water systems and can harm non-target species. Furthermore, repeated application often results in pests developing increased resistance.

74. (C) Significant groundwork to make the panchayat system effective enough to deliver goods and services equitably.
Local governance structures like the village panchayat are essential for equitable development, but they can become inefficient due to political interference or dominance by local elites. To address these issues, significant groundwork is required to strengthen these institutions and ensure they remain accountable. Simply abandoning community organizations is not viable; instead, they must be reformed to deliver goods and services effectively.

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75. (A) (I), (II), (IV), and (V)
The High-Level Expert Group proposed a comprehensive strategy to double agricultural exports by focusing on several key pillars. This includes prioritizing twenty-two crop value chains and implementing state-led clusters. A crucial part of the vision is a Centre-state institutional framework that ensures the convergence of various central and state schemes. This integrated approach aims to create a more competitive export ecosystem.

76. (B) (I), (II), (IV), and (V)
The Model Land Leasing Act of 2016 was introduced to modernize agricultural land markets by legalizing leasing while protecting the rights of both owners and tenants. Key features include ensuring complete security of land ownership for owners and allowing automatic resumption of land after the lease period. It also incentivizes tenants to invest in land improvement, thereby promoting overall agricultural efficiency.

77. (A) (I), (II), and (III)
The Ministry of Environment, Forest and Climate Change serves as the national entity for managing several international and domestic climate funds. These include the Adaptation Fund, the Green Climate Fund, and the National Adaptation Fund for Climate Change. These arrangements are vital for financing projects aimed at mitigating the impacts of climate change and helping the agricultural sector adapt to changing conditions.

78. (B) (I) and (III) only
The Agricultural Produce and Livestock Marketing Act of 2017 was designed to reform the traditional marketing system. Its primary goal is to end the monopoly of existing APMC mandis by allowing private players to establish alternative wholesale markets. By providing farmers with more choices for where and how to sell their produce, the act seeks to improve price discovery.

79. (B) Economic considerations resulting in a continuous surge for diversified agriculture in terms of crops.
Following the initial success of the Green Revolution, agricultural diversification in India has been driven largely by economic considerations. As market infrastructure improves and rural economies become more integrated, farmers are increasingly shifting from subsistence to higher-value crops to maximize their income. This continuous trend toward diversified agriculture is supported by a growing demand for a variety of food products.

80. (B) It considers actual system effects, such as CO_2 emissions or nitrate loss to groundwater.
In environmental assessment, an effect-based indicator is used to measure the actual physical consequences of agricultural activities on the ecosystem. Unlike means-based indicators that track specific farming methods, effect-based indicators look at system outcomes such as greenhouse gas emissions or the leaching of nitrates into groundwater. This type of measurement provides an accurate picture of the long-term ecological impact.

81. (B) (I), (III), and (IV)
Economic principles like Engel's law explain why agricultural sectors often grow slower than industry in developing nations. As people earn more, they spend a smaller fraction of their income on food, leading to lower income elasticity for agricultural products. Additionally, the development of marketing services often captures a larger portion of the consumer rupee, relatively reducing the economic gains seen by farmers.

82. (D) Assertion (A) is false, but Reason (R) is true.
Capital formation is essential for long-term growth in the agricultural sector, and its trends are closely monitored by policy makers. While the assertion that a decline warrants serious study is true, the reason provided shows that the proportion of gross capital formation to gross value added actually increased during the specified period. This indicates a positive trend in investment.

83. (A) A completely top-down, non-participatory dictation of rules without any local stakeholder input.
Effective agricultural development requires an organizational structure that is inclusive and responsive to local needs. Key characteristics include professional competence and the active participation of stakeholders in the planning

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process. Conversely, a completely top-down and non-participatory approach is detrimental as it ignores local knowledge and fails to engage the farming community. Successful development relies on a balanced blend of planning.

84. (C) Deforestation assists in the water cycle by increasing water vapor returning back to the environment.
Trees play a critical role in mitigating climate change by acting as carbon sinks, absorbing greenhouse gases from the atmosphere. They also provide shade that prevents soil from drying out and help regulate the water cycle. The claim that deforestation assists the water cycle by increasing water vapor is incorrect; removing trees actually reduces the amount of moisture returned.

85. (A) (I), (II), and (III)
While irrigation is essential for crop yields, it can have significant environmental impacts if not managed properly. Over-irrigation often leads to rising water tables and increased soil salinity, while under-irrigation can result in poor salinity control. When toxic salts build up on the soil surface, they require specific leaching or drainage methods to restore land health. Proper water management is critical.

86. (B) Land fragmentation
Land fragmentation is a structural issue in Indian agriculture where land holdings are broken into small, incomplete parts over successive generations. This phenomenon is driven by population growth and inheritance laws that divide family land among all heirs. Fragmentation makes it difficult for farmers to achieve economies of scale and often hinders the adoption of modern mechanization and efficient irrigation practices.

87. (B) State-led crop value chain clusters
To improve agricultural efficiency and export potential, policy makers recommend the establishment of state-led crop value chain clusters. This design principle focuses on creating a comprehensive ecosystem that includes producers, agribusinesses, and financiers centered around a single crop. By organizing production in this way, states can overcome scale limitations and ensure higher quality and better access for their commodities.

88. (B) A group of individuals bound by a common purpose to achieve specific given objectives.
In the context of agricultural development, an organization is defined as a group of individuals who are bound together by a common purpose. These groups work collectively to achieve specific economic or operational objectives, such as improving market access or managing irrigation resources. Effective organizations are essential for empowering small farmers and providing them with the collective strength needed to navigate markets.

89. (B) P-2, Q-4, R-1, S-3
Crop diversification is influenced by several categories of factors that shape a farmer's decision-making. Resource-related factors include natural elements like rainfall and soil fertility. Technology-related factors involve the availability of quality seeds and processing methods. Household factors focus on the immediate food and fodder needs of the family, while price-related factors are driven by market prices and government trade policies.

90. (A) P-3, Q-4, R-1, S-2
The landscape of Indian agriculture is shaped by several emerging issues that require focused policy attention. Environmental concerns involve evaluating both means-based and effect-based indicators, while climate change focuses on greenhouse gas emissions. International trade discussions often center on the balance between import substitution and export promotion. Meanwhile, agricultural diversification addresses the transition from subsistence to high-value, market-oriented crop varieties.

91. (B) (I) and (III) only
The Indian agricultural value chain faces several challenges at different levels of operation. At the farmer level, limited access to credit and technology leads to low marketable surpluses. In the logistics sector, the use of open trucks for transporting perishable produce remains a predominant but inefficient practice. Contrary to some claims, market intermediaries are not dominated by organized corporate trading.

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92. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Indian agriculture is characterized by a preponderance of small and marginal farms, a situation driven by several historical and legal factors. Land reform measures, such as ceilings and tenancy legislation, combined with traditional inheritance laws, have led to the continuous fragmentation of land holdings over time. This small-scale farming structure poses significant challenges for achieving efficiency and implementing modern technologies effectively.

93. (C) All goods and services necessary for a product to move from the farm to the final customer.
An agricultural value chain is conceptually defined as the entire sequence of goods and services required for a product to move from the farm to the final customer. It encompasses everything from the provision of inputs and primary production to processing, transportation, and retail marketing. Each link in the chain adds value, and strengthening these connections is essential for improving incomes.

94. (A) IV, I, II, III
The development of agricultural support systems in India has followed a specific chronological sequence. It began with the promulgation of the Fertilizer Control Order, followed by the organization of the Seed Village Program across thousands of units. Later, the National Mission for Sustainable Agriculture gained full operational status. More recently, the Soil Health Card Scheme was introduced to provide farmers with nutrients.

95. (B) Ending the APMC mandi monopoly and allowing private players to establish alternative wholesale markets.
The draft model law proposed by the central government aims to establish a more competitive and barrier-free market for agricultural produce. By ending the monopoly of traditional APMC mandis, the law allows private players and other organizations to set up alternative wholesale markets. This reform is intended to improve price discovery for farmers and provide them with more diverse marketing options.

96. (B) Well in advance of the growing season of the crop.
The government typically fixes the Minimum Support Price for various agricultural commodities well in advance of the actual growing season. This proactive approach provides farmers with a price guarantee, reducing their risk and helping them make informed decisions about which crops to plant. The MSP serves as a safety net, ensuring that farmers receive a minimum price even during market gluts.

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97. (A) 29th May, 2007
The National Food Security Mission was a strategic initiative launched to increase the production of rice, wheat, and pulses. The resolution to start this mission was adopted by the National Development Council on the twenty-ninth of May in 2007. This mission was a response to the need for ensuring long-term food security and stabilizing food prices in the country.

98. (A) NMSA
The National Mission for Sustainable Agriculture (NMSA) is the primary overarching framework for managing soil health and rain-fed technologies in India. It subsumes several previously independent programs, including the Soil and Land Use Survey of India. States seeking integrated funding for sustainable farming practices should look to NMSA guidelines for a holistic approach to climate-resilient and productive agricultural systems.

99. (B) A measure of productivity obtained as total output divided by total input.
Average productivity is a measure used to assess the overall efficiency of resource utilization in agriculture. It is calculated by dividing the total output obtained by the total amount of input used in the production process. This metric provides a broad view of how well various resources, such as land or labour, are being converted into agricultural products over a period.

100. (D) (I), (II), (III), and (IV)
Under the Atma Nirbhar Bharat Abhiyan, the government introduced a series of major reforms to transform the agricultural sector. These included the creation of a massive infrastructure fund, amendments to the Essential Commodities

Act, and the introduction of legislation to allow barrier-free trade outside APMC mandis. Furthermore, a legal framework for contract farming was established to provide farmers with more security.

101. (A) Old fallow land is land which was unfit for cultivation in terms of fertility and water holding capacity.
Land utilization statistics rely on precise definitions for various categories of land. Cultivable waste refers to land not tilled for over five years, while barren land is naturally unfit for agriculture. However, the definition provided for old fallow land is incorrect. Old fallow technically refers to land that was previously under cultivation but has been left unseeded for one to five years.

102. (A) P-4, Q-2, R-3, S-1
Agricultural value chains can be organized under different models depending on who drives the process. Farmer-driven models are led by cooperatives and self-help groups. Buyer-driven models are managed by consolidators and retailers. Facilitator-driven models are supported by NGOs and government agencies. Finally, integrated models are typically led by large agribusiness firms or supermarkets that manage the entire value chain.

103. (D) Indian agriculture is entirely independent of the monsoon due to 100% micro-irrigation coverage.
The Indian agricultural economy is characterized by its great diversity and year-round activities that vary based on moisture availability. It is a fundamental part of national development, meeting basic needs for food and clothing. However, the claim that Indian agriculture is entirely independent of the monsoon is incorrect. Despite improvements, a large portion of farming remains rain-fed and monsoon-dependent.

104. (D) Transforming Indian agriculture into a climate-resilient production system through suitable adaptation and mitigation measures.
The core operational focus of the National Mission for Sustainable Agriculture is to create a climate-resilient production system across India. This involves implementing various adaptation and mitigation measures to protect the agricultural sector from the adverse effects of climate change. By promoting soil health management and efficient water use, the mission aims to ensure long-term food security while maintaining sustainability.

105. (C) To permanently transfer land titles from large owners directly to the state.
The Model Land Leasing Act of 2016 aims to legalize and facilitate the leasing of agricultural land to improve efficiency and access for landless farmers. It ensures the security of ownership rights for the landlords while encouraging tenants to invest in the land. However, the permanent transfer of land titles from owners to the state is not an objective.

106. (D) The target for Rice was increased to 10 million tons for this period.
The National Food Security Mission was extended beyond the twelfth plan with new production targets to ensure domestic food availability. While it set goals for additional production of food grains including coarse cereals and pulses, the specific target for rice mentioned in the options is statistically incorrect. The mission's targets are periodically adjusted based on national requirements and previous production levels.

107. (A) Climate Change - Includes both global warming caused by humans and its impacts on Earth's weather patterns.
Climate change is a comprehensive term that encompasses global warming caused by human activities and the resulting shifts in the Earth's weather patterns. It has profound impacts on agricultural productivity and ecosystem health. Other terms like capital and food security have specific economic and social definitions that go beyond mere natural occurrence or production volume, focusing on human-made assets.

108. (A) Absence of aggregation mechanism for primary cultivation
Industries that process agricultural products face several challenges, including maintaining strict food safety and hygiene standards. They must also manage the quality of raw materials and adhere to specific product standards. However, the absence of aggregation mechanisms for primary cultivation is typically considered an

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issue at the farmer or intermediary level rather than a direct problem for processors.

109. (D) Environmental issues like falling water tables and soil salinity have become significant in certain regions.
Modern Indian agriculture faces significant environmental challenges that vary by region. In areas of intensive cultivation, problems such as falling water tables and increasing soil salinity have become major concerns. These issues highlight the need for more sustainable farming practices and the adoption of technologies that can mitigate environmental damage while maintaining the productivity required to feed the population.

110. (C) The National Seed Project Phase-III is a newly subsumed program directly under NMSA.
During the Twelfth Five Year Plan, the National Mission for Sustainable Agriculture was structured to integrate several existing programs. Subsumed missions included those focused on micro-irrigation and organic farming. However, the National Seed Project Phase-III is not a program that was subsumed under the NMSA framework. Seed development projects are generally managed through separate institutional and policy structures within the ministry.

111. (D) It is a GOI program launched in 2008 to mitigate and adapt to the adverse impact of climate change.
The National Action Plan on Climate Change is a major government initiative launched in 2008. It consists of several missions designed to help India mitigate and adapt to the adverse impacts of a changing climate. The plan addresses various sectors, including agriculture, energy, and water, reflecting a comprehensive strategy to promote sustainable development while addressing environmental challenges of the era.

112. (B) Collective action through self-help groups, cooperatives, and producer associations at the upstream of the chain.
To successfully integrate Indian agriculture into global value chains, small-scale producers must overcome the hurdle of dispersed production. The most effective mechanism for achieving this is through collective action, such as forming self-help groups, cooperatives, and producer associations. These organizations allow farmers to aggregate their produce, ensure consistent quality, and achieve the scale necessary to bargain effectively with global buyers.

113. (D) (I), (II), (III), (IV), and (V)
Policy makers have identified several strategies to increase agricultural competitiveness and boost farmer incomes. These include increasing banking outreach, financing farmer groups to reduce costs, and developing credit products for post-harvest storage. Additionally, identifying crops that require long-term loans and reexamining collateral policies are seen as essential steps to provide farmers with the financial flexibility needed for high-value agriculture.

114. (B) Barren land is land not fit for agriculture; Cultivable waste is land not under cultivation for more than five years.
In land use classification, barren land refers to terrain that is naturally unfit for agriculture, such as rocky or desert areas. Cultivable waste, in contrast, is land that has the potential for cultivation but has not been used for farming for more than five years. Distinguishing between these categories is important for identifying underutilized resources and planning for potential agricultural expansion.

115. (B) Alternative employment in the rural non-farm sector.
As agriculture becomes more efficient through technology, its capacity to absorb more labour often decreases even as total output grows. For the excess agricultural workforce, the most logical and sustainable transition is into the rural non-farm sector. This includes activities such as agro-processing, services, and small-scale manufacturing within rural areas, which provide alternative livelihoods without requiring migration.

116. (D) Organizing production in clusters so that distances and time are kept within a manageable level.
For an agribusiness firm to efficiently source products from dispersed small farmers, it must organize production into geographical clusters. This approach keeps transportation distances and collection times within manageable levels, significantly reducing costs and ensuring the

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freshness of perishable produce. Clustering also facilitates easier quality control and provides a more streamlined framework for providing technical support to participating farmers.

117. (D) P-3, Q-4, R-2, S-1
Agricultural planning involves different types of integration and cultivation intensities. Horizontal integration relates to planning across various sectors at the regional level. Vertical integration involves the coordination of national and regional planning efforts. Meanwhile, intensive cultivation focuses on achieving higher cropping intensity on small areas of land, whereas extensive cultivation involves farming across large areas with lower resource inputs.

118. (D) NABARD advocates for "Integrated Value Chain" financing models and investments in supply chain management.
NABARD plays a pivotal role in modernizing Indian agriculture by advocating for integrated value chain financing models. This approach focuses on investing in the entire supply chain, from production to marketing, rather than just individual farm activities. By supporting investments in biotechnology and warehouse management, NABARD helps create a more robust and efficient agricultural ecosystem that can better support farmers' needs.

119. (D) The agricultural value chain system in India is highly organized, and all local firms have surplus capacities to export.
While integrating into Global Agriculture Value Chains is a goal, the current agricultural value chain system in India faces significant organization hurdles. Many local firms are still focused primarily on domestic markets and often lack the surplus capacity or standardized quality required for international trade. Collective action remains essential to overcome these scale and quality limitations to improve national global competitiveness.

120. (A) P-4, Q-1, R-2, S-3
The National Mission for Sustainable Agriculture consists of several components with specific environmental and economic aims. Rain fed Area Development focuses on integrated farming to mitigate climatic risks. On-Farm Water Management aims to improve water use efficiency through micro-irrigation. Soil Health Management promotes organic farming and residue management. Finally, climate modelling components are dedicated to disseminating rain-fed technologies and building farmer capacity.

121. (D) (I), (II), (III), and (IV)
Water Use Efficiency is a critical metric measuring the biomass or grain produced per unit of water used by a crop. Enhancing this efficiency is a key strategy for adapting to climate change. This can be achieved through careful crop selection and the adoption of improved cultural practices. These efforts allow farmers to maintain productivity even in the face of changing environments.

122. (C) Rainfed Area Development Program
The Rainfed Area Development program is a specialized sub-scheme under the Rashtriya Krishi Vikas Yojana aimed at improving the lives of small and marginal farmers. It provides a complete package of activities designed to maximize farm returns in regions that lack reliable irrigation. By promoting integrated farming systems, the program helps farmers diversify their income and build resilience against weather aberrations.

123. (C) Comparative Advantage
The economic concept of comparative advantage explains why countries specialize in specific agricultural crops and engage in trade. If a nation can produce a commodity at a lower opportunity cost than its trading partners, it gains by specializing in that product and trading for other goods. This specialization leads to more efficient global resource use and higher overall welfare for all participants.

124. (B) Only (II) is correct
Technical change in agriculture is defined specifically as a change in the process of production or the introduction of new inputs. This evolution allows for increased output to be obtained from the same set of resources. It is distinct from market fluctuations or price changes. Long-term agricultural development is primarily driven by such technical advancements that improve the efficiency of resource use.

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Small Business Development (NIESBUD)
III Pradhan Mantri Yuva Yojana (PM YUVA)
IV Pradhan Mantri Kaushal Vikas Yojana (PMKVY)

Which of the following represents the correct sequence?
(A) (I), (II), (III), (IV)
(B) (II), (I), (IV), (III)
(C) (I), (II), (IV), (III)
(D) (II), (I), (III), (IV)

May/June 2012

7. Which of the following best defines the NRLM Target Group (NTG) as conceptualized under the National Rural Livelihoods Mission?
(A) All households historically classified as Below Poverty Line (BPL) based on state government census records.
(B) All households identified as poor through Participatory Identification of Poor (PIP) at the community level.
(C) Households selected by the Gram Panchayat through administrative procedures without community involvement.
(D) Only households successfully maintaining a functionally effective Self-Help Group for a period of three years.

Oct/Nov 2014

8. Consider the following statements regarding NRLM's approach to financial inclusion:
I On the demand side, it promotes financial literacy among the poor.
II On the demand side, it provides catalytic capital to the SHGs and their federations.
III On the supply side, the Mission coordinates with the financial sector to encourage ICT-based financial technologies.
IV On the supply side, it focuses exclusively on providing large ticket infrastructure loans to state governments.

Which of the above statement(s) is/are correct?
(A) (I), (II), and (III)
(B) (I), (III), and (IV)
(C) (II), (III), and (IV)
(D) (I), (II), and (IV)

May/June 2019

9. Under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) 2.0, what percentage of the funds shall be allocated to the States under the Centrally Sponsored State Managed (CSSM) scheme?
(A) 15%
(B) 25%
(C) 50%
(D) 75%

Oct/Nov 2006

10. Read the following scenario regarding a rural community's financial needs and answer the question:
A remote rural community faces high out-migration and lacks formal banking infrastructure. Under NRLM, which mechanism is best suited to coordinate with the financial sector to deliver basic financial technologies and universal coverage against risk of loss of life and assets?
(A) Implementing direct cash transfers from the Central Government to all residents regardless of need.
(B) Mandating all residents to travel to the nearest urban cooperative bank for essential services.
(C) Engaging 'Bank Mitras' and using ICT-based financial technologies for universal coverage.
(D) Providing up-front capital subsidies directly to the Gram Panchayat for infrastructure development.

May/June 2021

11. Identify the correct pair regarding the criteria for a 'Rurban cluster'.
(A) Plain and coastal areas - Population between 5,000 to 15,000.
(B) Plain and coastal areas - Population over 100,000.
(C) Desert, hilly, or tribal areas - Population between 25,000 to 50,000.
(D) Desert, hilly, or tribal areas - Population between 5,000 to 15,000.

NODIA

Oct/Nov 2010

12. Identify the incorrect statement regarding the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).
(A) It provides at least 100 days of guaranteed wage employment in a financial year to every rural household.
(B) The Act was passed by the Parliament on 23rd August 2005.

CHAPTER 06
Rural Development Policies

May/June 2016

1. What was the primary reason that necessitated the restructuring of the Swarnjayanti Gram Swarozgar Yojana (SGSY) into NRLM?
(A) The SGSY program had achieved full financial inclusion, necessitating a focus on urban poverty.
(B) The World Bank mandated a total transition away from all subsidy-based schemes in rural development.
(C) The banking sector over-financed SHGs, leading to high non-performing assets in rural bank branches.
(D) Lack of proper delivery systems, uneven SHG spread, and a mismatch between program capacity and needs.

Oct/Nov 2009

2. Read the following scenario and answer the question:
An adult member of a rural household formally demands unskilled manual work under MGNREGA. However, the local authorities fail to provide work within the stipulated time frame. According to the rights-based framework of the program, what is the immediate legal recourse available to the individual?
(A) The individual is automatically absorbed into a permanent government job.
(B) The individual is granted a collateral-free loan from the Rural Infrastructure Development Fund.
(C) The individual is entitled to an unemployment allowance and compensation.
(D) The individual must reapply in the next financial year without any compensation.

May/June 2023

3. The transition to NRLM introduced a shift from an allocation-based strategy to a demand-driven strategy. Which of the following is the primary conceptual implication of this shift?
(A) States must accept centrally mandated poverty reduction plans regardless of local socio-economic conditions.
(B) Capital investment is provided as an up-front subsidy before any social mobilization takes place.
(C) States can develop their own livelihood plans and annual action plans based on inter-se poverty ratios.
(D) The central government withdraws from funding, leaving states to rely solely on international bank investments.

Oct/Nov 2018

4. Identify the incorrect statement regarding the Pradhan Mantri Yuva Yojana (YUVA).
(A) It was launched in November 2016 to promote entrepreneurship among youth.
(B) The scheme is available to individuals below 30 years of age.
(C) It allocated a budget of ₹ 12,000 crores for a period of five years.
(D) It involves online training procedures through which trainees can get study materials at home.

NODIA

May/June 2007

Identify the correct pair regarding the institutions and their roles in rural development policies.
(A) NSDC - Administers the Community Investment Fund under the DAY-NRLM.
(B) NIRD&PR - Evaluated the SGSY program highlighting mixed results and high attrition rates.
(C) IIE - Focuses primarily on large-scale heavy industries and multinational corporations.
(D) NIESBUD - Functions as the nodal agency for the implementation of the PMKSY.

Oct/Nov 2025

6. Arrange the establishment or launch of the following institutes/schemes in chronological order from earliest to latest:
I Indian Institute of Entrepreneurship (IIE)
II National Institute for Entrepreneurship and

125. (C) Assertion (A) is true, but Reason (R) is false. Food security is broadly defined as ensuring that all people have reliable access to the food required for a healthy life. While this assertion is true, the reason provided regarding the National Food Security Mission is false. The mission was actually launched to increase the production of essential grains like rice and wheat, rather than decreasing it for price manipulation purposes.

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(C) It mandates skilled manual work to enhance the technical capabilities of the rural population.
(D) It aims at strengthening Panchayati Raj Institutions and proactively ensuring social inclusion.

May/June 2005

13. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the options given below.
Assertion (A): Evaluation of the SGSY showed that the one-off assetization program focusing on a single livelihood activity successfully met the multiple livelihood requirements of the poor.
Reason (R): Under SGSY, capital investment was provided up-front as a subsidy without adequate investment in social mobilization.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2022

14. Identify the incorrect pair concerning the phased implementation of MGNREGA.
(A) Phase 1 (Feb 2006) - Implemented in 200 districts.
(B) Phase 2 (Apr/May 2007) - Extended to an additional 130 districts.
(C) Current Status - Implementation restricted to exactly 300 Rurban clusters.
(D) Phase 3 (April 1st, 2008) - Remaining districts included under the Act.

May/June 2018

15. What is the most appropriate rationale behind the launch of the Shyama Prasad Mukherji Rurban Mission (SPMRM)?
(A) Forcing the relocation of rural populations into metropolitan areas to solve structural unemployment issues.
(B) To convert all agricultural lands into Special Economic Zones (SEZs) for foreign direct investment.
(C) To completely halt rural-to-urban migration by banning the movement of labor across state borders.
(D) Strengthening rural areas by providing economic, social, and physical infrastructure in growth-potential clusters.

Oct/Nov 2016

16. In which financial year was the Swarnjayanti Gram Swarozgar Yojana (SGSY) restructured into the National Rural Livelihoods Mission (NRLM)?
(A) 2010-11
(B) 2009-10
(C) 2011-12
(D) 2014-15

May/June 2014

17. Which of the following statements accurately describes the Udaan Scheme?
(A) A Special Industry Initiative for J&K youth to provide skills and corporate exposure.
(B) It is a program funded by the Ministry of External Affairs to send Indian youth to international universities.
(C) A program specifically designed to provide pension benefits to small farmers who have exceeded 60 years.
(D) It is an agricultural initiative under NABARD to double the production of dryland crops.

Oct/Nov 2007

18. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the options given below.
Assertion (A): The NRLM Target Group (NTG) derived through the Participatory Identification of Poor (PIP) is de-linked from the Below Poverty Line (BPL) list.
Reason (R): To ensure inclusion of the poorest, PIP relies on community-level identification rather than outdated or rigid administrative criteria.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

NODIA

List II: (Parent Ministry/Department)
1. Department of Agriculture, Cooperation and Farmers Welfare
2. Ministry of Water Resources, River Development & Ganga Rejuvenation
3. Department of Land Resources
4. Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)

(A) P-2, Q-3, R-1, S-4
(B) P-1, Q-2, R-4, S-3
(C) P-3, Q-4, R-2, S-1
(D) P-4, Q-1, R-3, S-2

Oct/Nov 2009

44. What is the overarching conceptual objective of the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)?
(A) To replace surface water irrigation with imported desalinated water for agricultural use.
(B) To provide full capital subsidies to large-scale commercial farming corporations for heavy machinery.
(C) To restrict the use of all ground water resources exclusively to designated industrial zones.
(D) To achieve field-level irrigation investment convergence and expand cultivable areas under assured irrigation.

May/June 2023

45. What was the initial corpus with which the Rural Infrastructure Development Fund (RIDF) was instituted in the year 1995-96?
(A) ₹ 500 crore
(B) ₹ 1,000 crore
(C) ₹ 2,000 crore
(D) ₹ 10,000 crore

Oct/Nov 2018

46. Consider the following statements regarding the Indian Institute of Entrepreneurship (IIE):
(I) It was established in 1993 in Guwahati with the objective of providing training and undertaking research in small and micro enterprises.
(II) It currently operates independently under the Ministry of External Affairs to promote international trade.
Which of the above statement(s) is/are correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

May/June 2007

47. Based on the following scenario, answer the question:
A local agricultural department aims to improve farm water use efficiency and enhance the adoption of precision irrigation technologies to reduce wastage in a semi-arid district. Under which overarching national scheme should they align their project proposals to secure funding and achieve convergence?
(A) PM Yuva Yojana
(B) Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)
(C) MGNREGA
(D) Udaan Scheme

Oct/Nov 2025

48. Read the following scenario and answer the question:
A 28-year-old aspiring entrepreneur wishes to gain access to a network of peers, mentors, and online training procedures to support their new venture. They plan to apply for a central scheme through a digitized enrollment form online. Which scheme fits these operational parameters?
(A) National Rural Livelihoods Mission
(B) Pradhan Mantri Yuva Yojana
(C) Pradhan Mantri Krishi Sinchayee Yojana
(D) Deendayal Upadhyaya Gram Jyoti Yojana

May/June 2012

49. Consider the following statements regarding the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY):
I It was conceived by amalgamating schemes like AIBP, IWMP, and OFWM.
II The scheme has an outlay of ₹ 50,000 crore for a period of 5 years (2015-16 to 2019-20).
III It exclusively focuses on providing flood-proofing to coastal cities.
Which of the above statement(s) is/are correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

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(A) To provide basic literacy training to children below 14 years of age in remote villages.
(B) To distribute subsidized technological hardware like laptops to startup enterprises in the rural sector.
(C) To focus exclusively on foreign language training for rural youth planning to migrate abroad.
(D) Transforming a footloose skills delivery model into a sustainable institutional model at the district level.

May/June 2017

25. Consider the following statements representing the goals expected to be achieved by MGNREGA:
I Social protection for the most vulnerable people living in rural India.
II Rejuvenation of the natural resource base of rural areas.
III Empowerment of socially disadvantaged groups through rights-based legislation.
IV Strengthening decentralized, participatory planning through convergence.
V Transitioning entirely to mechanized, capital-intensive farming in rural districts.
Which of the above statement(s) is/are correct?
(A) (I), (II), (III), and (V)
(B) (I), (II), (IV), and (V)
(C) (I), (II), (III), and (IV)
(D) (II), (III), (IV), and (V)

Oct/Nov 2005

26. Which of the following statements correctly represents a core value that guides all activities under NRLM?
(A) Promoting exclusively individual enterprises rather than community self-reliance.
(B) Transferring the ownership and key role of planning entirely to external support structures.
(C) Linking target group identification strictly to pre-existing BPL lists to ensure rapid rollout.
(D) Inclusion of the poorest, with a meaningful role assigned to them in all processes.

May/June 2020

27. Which of the following is NOT one of the desirable components envisaged for an ideal Rurban cluster under SPMRM?
(A) Establishment of large-scale heavy steel manufacturing plants.
(B) Upgrading school/higher education facilities.
(C) Provision of piped water supply and solid/liquid waste management.
(D) Inter-village road connectivity and public transport.

Oct/Nov 2015

28. Based on the following scenario, answer the question:
During the implementation of NRLM in a village, the Participatory Identification of Poor (PIP) exercise is conducted 8 months after village entry. The list of poor is generated. What is the immediate next procedural requirement before these households can be formally recognized as the NTG?
(A) The list must be vetted by the Gram Sabha and approved by the Gram Panchayat.
(B) The list must be approved by the World Bank.
(C) The list must be vetted by the District Magistrate and approved by the State Government.
(D) The list must be verified by the lead commercial bank of the district.

NODIA

May/June 2013

29. Which of the following defines the concept of a 'Rurban cluster' under the Shyama Prasad Mukherji Rurban Mission (SPMRM)?
(A) A cluster of completely urbanized smart cities with populations exceeding one million inhabitants.
(B) A single, stand-alone settlement chosen exclusively for high-tech industrial manufacturing and logistics.
(C) Contiguous villages with 25,000–50,000 population in plains or 5,000–15,000 in desert/hilly/tribal areas.
(D) A group of isolated tribal hamlets selected solely for the distribution of seasonal agricultural subsidies.

Oct/Nov 2021

30. Consider the following statements regarding the delegation of powers under MGNREGA:
I The Central Government can delegate powers, excluding the power to make rules, to State Governments by a notification.
II The State Government may make rules to carry out the provisions of the Act, provided

(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2025

19. Arrange the following rural development policies/schemes in the chronological order of their evolution or launch, from earliest to latest:
I Deendayal Antyodaya Yojana (DAY-NRLM)
II Integrated Rural Development Program (IRDP)
III Swarnjayanti Gram Swarozgar Yojana (SGSY)
IV National Rural Livelihoods Mission (NRLM)
Which of the following represents the correct sequence?
(A) (II), (III), (IV), (I)
(B) (III), (II), (I), (IV)
(C) (II), (IV), (III), (I)
(D) (IV), (I), (III), (II)

Oct/Nov 2019

20. Consider the following statements regarding the operational features of MGNREGA:
I The resource transfer from the Centre to the States is based on the demand for employment in each State.
II The program is top-down, supply-driven, and relies on administrative targeting rather than self-selection.
III Plans and decisions regarding the nature and choice of works are made in open assemblies of the Gram Sabha.
Which of the above statement(s) is/are correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

May/June 2009

21. Match the items in List I with the corresponding roles or levels in List II and select the correct answer using the options given below.
List I: (Institute/Scheme)
P. NIESBUD
Q. PMKVY
R. Udaan
S. PM Yuva Yojana
List II: (Feature/Target)
1. Imparting skilling to 10 million youth with an outlay of ₹ 12,000 crores.
2. Connecting early-stage entrepreneurs to mentor networks and E-Hubs.
3. Providing exposure to corporate India for graduates and postgraduates of J&K.
4. Registered under the Societies Registration Act, 1860, functioning since July 1983.
(A) P-4, Q-1, R-3, S-2
(B) P-3, Q-2, R-1, S-4
(C) P-1, Q-4, R-2, S-3
(D) P-2, Q-3, R-4, S-1

Oct/Nov 2011

22. Which of the following is NOT one of the guiding principles of NRLM?
(A) Poor have a strong desire to come out of poverty, and they have innate capabilities.
(B) Credit access must be provided primarily as an up-front capital subsidy before group formation.
(C) An external dedicated and sensitive support structure is required to induce the empowerment process.
(D) Social mobilization and building strong institutions of the poor is critical for unleashing their capabilities.

May/June 2010

23. Match the items in List I with the descriptions in List II and select the correct answer using the options given below.
List I: (Component)
P. Revolving Fund (RF)
Q. Participatory Identification of Poor (PIP)
R. Bank Mitras
S. Livelihoods Approach
List II: (Description)
1. Community facilitators working on the supply side of financial inclusion.
2. A strategy encompassing mobilization, credit access, skill building, and service convergence.
3. Resources provided in perpetuity to strengthen institutional and financial management capacity.
4. An equitable community-level process to identify the target group.
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2024

24. What is the primary conceptual objective of the Pradhan Mantri Kaushal Kendras (PMKK)?

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- Focuses on regions that constitute about 50% of the total area of the country.

(B) Drought Prone Areas Program (DPAP) - Launched in 1973.

(C) Desert Development Program (DDP) - Launched in 1977-78.

(D) Hanumantha Rao Committee - Recommended transfer of 64 blocks from DPAP to DDP.

Oct/Nov 2012

38. Which of the following is NOT an objective or element emphasized by the National Water Policy (NWP), 2012?

(A) Proposing a framework for the creation of a system of laws and institutions with a unified national perspective.

(B) Conservation, management, and development of water as a national resource.

(C) Promoting conjunctive use of surface and ground water, and command area development.

(D) Completely privatizing all river development projects to foreign multi-national corporations.

May/June 2011

39. Consider the following statements regarding the DDUGJY-RE scheme:

I Under the scheme, 60% of the project cost is provided as a grant by GOI for non-special states.

II For special category states, 85% of the project cost is provided as a grant.

III Additional grants are provided on the achievement of prescribed milestones.

IV It aims to provide free electricity connections to BPL rural households.

V The scheme specifically targets the electrification of urban commercial complexes.

Which of the above statement(s) is/are correct?

(A) (I), (II), (III), and (IV)

(B) (II), (III), (IV), and (V)

(C) (I), (III), (IV), and (V)

(D) (I), (II), (IV), and (V)

Oct/Nov 2020

40. Read the following scenario and answer the question:

A group of contiguous villages in a coastal area, with a combined population of 35,000, shows high potential for agro-processing and allied activities. The government decides to provision urban-like amenities such as LPG gas connections, digital literacy, and street lights to this group while preserving its rural essence. This initiative aligns with which of the following?

(A) Rural Infrastructure Development Fund (RIDF)

(B) Hill Areas Development Program (HADP)

(C) Integrated Rural Energy Program

(D) Shyama Prasad Mukherji Rurban Mission (SPMRM)

May/June 2022

41. Identify the incorrect statement regarding the disbursement and terms of RIDF loans.

(A) NABARD releases the sanctioned amount on a reimbursement basis.

(B) An initial mobilization advance of 50% is provided to all states other than North Eastern & Hilly States.

(C) An initial mobilization advance of 30% is provided to North Eastern & Hilly States.

(D) Projects for rural connectivity, social, and agri-related sectors are eligible for loans to the extent of 80 to 95% of the project cost.

Oct/Nov 2023

42. Which of the following is correct regarding the funding pattern of MGNREGA?

(A) The Central Government bears 100% of the cost of unskilled manual labor.

(B) The State Government bears 100% of the material cost.

(C) The Central Government bears 50% of the unemployment allowance.

(D) All costs are shared equally (50:50) between Centre and State.

NODIA

May/June 2016

43. Match the items in List I with the corresponding parent Ministries/Departments in List II and select the correct answer using the options given below.

List I: (Component of PMKSY)

P. Accelerated Irrigation Benefit Program (AIBP)

Q. Integrated Watershed Management Program (IWMP)

R. On Farm Water Management (OFWM)

S. Har Khet Ko Pani (Motto)

they are consistent with rules made by the Central Government.

Which of the above statement(s) is/are correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

May/June 2024

31. Read the following scenario and answer the question:
A 24-year-old engineering graduate from Jammu & Kashmir is struggling to find employment due to a lack of practical corporate skills. Which government initiative is specifically designed to provide this individual with skills and exposure to corporate India?
(A) Pradhan Mantri Fasal Bima Yojana (PMFBY)
(B) Desert Development Program (DDP)
(C) Udaan Scheme
(D) Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

Oct/Nov 2008

32. Consider the following statements regarding energy consumption in rural areas:
I Non-commercial energy provides for 80 to 90 percent of the total energy consumed in rural areas for cooking and heating.
II Commercial forms of energy such as electricity, kerosene, and diesel oil are largely consumed by affluent households.
Which of the above statement(s) is/are correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

May/June 2006

33. Consider the following operational aspects of the Pradhan Mantri Yuva Yojana (YUVA):
I The scheme is available to young entrepreneurs who are below 30 years of age.
II The project started with a 5-year time span in the first phase.
III All applications under the scheme must be submitted physically at the respective district headquarters.
Which of the above statement(s) is/are correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

Oct/Nov 2017

34. Read the following scenario and answer the question:
A rural area frequently experiences voltage fluctuations because the same distribution line supplies power to both high-load agricultural pumps and domestic households. Which program is explicitly designed to resolve this by undertaking sub-transmission strengthening and separating the electrical network?
(A) Swarnjayanti Gram Swarozgar Yojana (SGSY)
(B) Rural Infrastructure Development Fund (RIDF)
(C) National Watershed Development Project for Rainfed Areas (NWDPRA)
(D) Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

May/June 2008

35. Dry farming areas constitute approximately what percentage of the gross cropped area in India?
(A) 30%
(B) 42%
(C) 50%
(D) 70%

Oct/Nov 2013

36. Which of the following conceptually explains how funds are allocated to the RIDF by commercial banks?
(A) Deposits placed by commercial banks based on their shortfalls in agriculture lending priority sector targets.
(B) Banks contribute a fixed percentage of their total net profits annually to the fund.
(C) Allocations from the RBI's foreign exchange reserves derived from international investments and FDI inflows.
(D) The State Governments directly tax the commercial banks to raise the corpus for RIDF.

May/June 2015

37. Identify the incorrect pair regarding Area Development Programs.
(A) Hill Areas Development Program (HADP)

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Oct/Nov 2014

50. Identify the incorrect statement regarding the Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY).
(A) It focuses on feeder separation for rural households and agricultural consumers.
(B) It subsumed the erstwhile Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY).
(C) It aims at centralizing all power generation strictly within urban limits to reduce rural transmission costs.
(D) The Rural Electrification Corporation (REC) is the Nodal Agency for its implementation.

May/June 2019

51. Which of the following statements correctly identifies the broad categories of eligible activities under RIDF?
(A) Urban Real Estate, Heavy Machinery, and Aviation.
(B) Foreign Trade, Financial Derivatives, and Space Exploration.
(C) Telecommunication, Metro Rail Projects, and Port Development.
(D) Agriculture and related sector, Social sector, and Rural connectivity.

Oct/Nov 2006

52. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the options given below.
Assertion (A): The SPMRM aims at the development of clusters of villages rather than focusing on stand-alone settlements.
Reason (R): Clusters of relatively proximate villages typically illustrate a potential for growth, have economic drivers, and derive locational and competitive advantages.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2021

53. In the context of the rural energy scenario in India, which of the following accurately defines the components of non-commercial energy?
(A) Electricity, kerosene, and diesel oil
(B) Solar power, wind energy, and nuclear energy
(C) Fire wood, cow dung, and agricultural waste
(D) Liquefied Petroleum Gas (LPG) and Compressed Natural Gas (CNG)

Oct/Nov 2010

54. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the options given below.
Assertion (A): The Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) focuses on feeder separation for rural households and agricultural consumers.
Reason (R): Feeder separation facilitates the provision of round-the-clock power to rural households while ensuring adequate power supply to agricultural consumers.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2005

55. Under the National Watershed Development Project for Rainfed Areas (NWDPRA), what is considered a principal means to prevent soil erosion and conserve moisture?
(A) Use of vegetable barriers.
(B) Widespread use of slash-and-burn farming.
(C) Heavy application of chemical fertilizers.
(D) Depletion of ground water resources.

Oct/Nov 2022

56. Consider the following components envisaged for an ideal Rurban cluster under SPMRM:
I Skill development training linked to economic activities.
II Provision of piped water supply.
III Citizen Service Centres for electronic delivery of services.

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shortfall.
(C) RBI will ask the bank to write off the shortfall as a non-performing asset.
(D) RBI redistributes the shortfall amount as direct cash subsidies to small farmers within the district.

May/June 2020

69. During the trade and capital flows reforms initiated in July 1991, by approximately what percentage was the value of the Indian rupee adjusted downward?
(A) 5%
(B) 10%
(C) 20%
(D) 35%

Oct/Nov 2015

70. Which of the following statements correctly describes the interest payment framework under RIDF?
(A) Interest is calculated daily and paid on a compounding basis to maximize the fund's growth.
(B) The interest rate is arbitrarily fixed by the State Government at the time of withdrawal.
(C) Interest is paid at the end of each quarter, including during the applicable grace period.
(D) Interest payment is completely deferred until the completion of the seventh year.

May/June 2013

71. Consider the following statements regarding the implementation of financial sector reforms:
I The RBI introduced prudential norms for income recognition, classification of assets, and provisioning for bad debts for the first time.
II Commercial banks meeting certain stipulated conditions were allowed to open new branches without the approval of the RBI.
III The incremental cash reserve ratio requirement of 10 per cent was doubled.
Which of the above statement(s) is/are correct?
(A) (I) and (III)
(B) (I) and (II)
(C) (II) and (III)
(D) (I), (II), and (III)

Oct/Nov 2021

72. Consider the following statements regarding the security mechanisms for RIDF loans:
I Loans are secured by an irrevocable letter of authority/mandate registered with the Reserve Bank of India or any Scheduled Commercial Bank.
II The execution of an unconditional Guarantee from State Governments is required.
III Execution of a Time Promissory Note (TPN) is mandatory.
Which of the above statement(s) is/are correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

May/June 2024

73. Conceptually, why did the government reduce the allocation to RIDF from the 18% agriculture sub-target down to the 10% weaker section sub-target from RIDF-XV onwards?
(A) Because the RIDF corpus had become excessively large and no longer required funding.
(B) To completely phase out agriculture lending by commercial banks in favor of industrial credit expansion.
(C) Because the World Bank mandated a reduction in domestic priority sector requirements.
(D) To align allocation with the shortfall in financing marginalized segments and broaden the contributing bank base.

Oct/Nov 2008

74. Match the items in List I with the corresponding roles or levels in List II and select the correct answer using the options given below.
List I: (Mechanism)
P. High-Powered Committee
Q. District Development Managers
R. RBI
S. Nodal Department of State Govt (Finance)
List II: (Role/Level)
1. Prepares the list of bank-wise allocations based on priority sector shortfall.
2. Undertakes review implementation of all projects at the state level.
3. Submits projects of NGOs/SHGs to NABARD.

NODIA

(A) Overdue interest is charged at the same rate as applicable to the principal amount.
(B) Overdue interest is charged at twice the rate applicable to the principal amount.
(C) Overdue interest is completely waived if the state pays within three years.
(D) Overdue interest is deducted from the mobilization advance of the next project.

May/June 2009

63. Match the items in List I with the corresponding numerical values or rules in List II and select the correct answer using the options given below.
List I: (Parameter)
P. Repayment period
Q. Grace period
R. Allocation to weaker section/agri from RIDF-XV onwards
S. Interest rate linkage
List II: (Value/Rule)
1. Bank Rate prevailing at the time of deposit/ sanction
2. 7 years
3. 2 years
4. 10%
(A) P-2, Q-3, R-4, S-1
(B) P-3, Q-2, R-1, S-4
(C) P-4, Q-1, R-2, S-3
(D) P-1, Q-4, R-3, S-2

Oct/Nov 2011

64. Identify the incorrect statement regarding the structural reforms undertaken since July 1991.
(A) Industrial licensing was abolished for all excepting 18 product categories.
(B) Specific measures included automatic approval of foreign technology collaboration.
(C) The government adopted a policy to increase budgetary support to public sector enterprises indefinitely.
(D) The provisions of the Monopolies and Restrictive Trade Practices (MRTP) act relating to asset limits of companies were scraped.

May/June 2010

65. Which of the following is the best indicator that an RIDF project is a "non-starter"?
(A) No drawals are made within one year from the date of the sanction letter.
(B) The project requires a time extension of three months due to severe monsoon rains.
(C) The State Government submits a cost escalation proposal for genuine reasons.
(D) Field monitoring officials find the project progressing ahead of schedule.

Oct/Nov 2024

66. Match the items in List I with the corresponding numerical values or changes in List II and select the correct answer using the options given below.
List I: (Reform Indicator)
P. Reduction in Statutory Liquidity Ratio (SLR)
Q. Reduction in Cash Reserve Ratio (CRR)
R. Minimum capital adequacy norm
S. Deregulation of interest rates on loans above
List II: (Value/Change)
1. 15% to 10%
2. 38.5% to 25%
3. ₹ 2 lakhs
4. 8% of risk weighted assets
(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-3, Q-4, R-1, S-2

May/June 2017

67. Which of the following entities is NOT explicitly mentioned as eligible to submit projects for financing under the RIDF?
(A) State Governments and Union Territories
(B) Panchayat Raj Institutions and Self Help Groups (SHGs)
(C) Foreign Multi-National Corporations operating in Special Economic Zones
(D) State Owned Corporations and State Govt. Undertakings

Oct/Nov 2005

68. Read the following scenario and answer the question:
A commercial bank has a total priority sector target for agriculture lending at 18% of its adjusted net bank credit. At the end of the financial year, it achieves only 14%. According to the structural mechanics of RIDF, what regulatory action will RBI take regarding this shortfall?
(A) RBI will revoke the bank's license to operate in rural areas.
(B) RBI directs the bank to place deposits with NABARD under RIDF corresponding to the

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IV Establishment of large-scale, standalone urban municipalities.

Which of the above statement(s) is/are correct?
(A) (I), (II), and (IV)
(B) (I), (II), and (III)
(C) (II), (III), and (IV)
(D) (I), (III), and (IV)

May/June 2018

57. What is the primary definition and purpose of the Rural Infrastructure Development Fund (RIDF) established in NABARD?
(A) A fund for financing state governments and corporations to complete ongoing rural infrastructure projects.
(B) A fund aimed at providing low-interest consumption loans to BPL families for essential household items.
(C) A fund exclusively created to bail out chronically sick public sector industrial units.
(D) A private equity fund aimed at investing in foreign agricultural markets.

Oct/Nov 2016

58. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the options given below.
Assertion (A): The administrative affairs of the National Institute for Entrepreneurship and Small Business Development (NIESBUD) were transferred to the Ministry of Skill Development and Entrepreneurship (MSDE) in May 2015.
Reason (R): This transfer was aimed at entirely dissolving the institute and distributing its assets to private corporations.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2014

59. Consider the following statements regarding the Drought Prone Areas Program (DPAP):
I The main thrust was directed towards restoration of ecological balance.
II It focused on the development and management of water resources.
III It emphasized soil and moisture conservation measures and afforestation.
IV It successfully achieved drought proofing in all DPAP blocks within the first five years.

Which of the above statement(s) is/are correct?
(A) (I), (II), and (III)
(B) (I), (III), and (IV)
(C) (II), (III), and (IV)
(D) (I), (II), and (III), and (IV)

Oct/Nov 2007

60. Which of the following statements is correct regarding the National Watershed Development Project for Rainfed Areas (NWDPRA)?
(A) It targets blocks having assured irrigation of more than 80%.
(B) It initiates micro-watershed development in blocks having assured irrigation of less than 30%.
(C) It completely prohibits the use of vegetative barriers for soil conservation.
(D) It was launched as a pilot project exclusively in the North Eastern states during the Tenth Plan.

May/June 2025

61. Consider the following statements about the RIDF framework:
I At present, there are 37 eligible activities under RIDF.
II Interest is paid at the end of each quarter (March, June, September, December).
III A project is considered a non-starter if no drawals are made within one year from the date of the sanction letter.
IV NABARD may consider withdrawal of projects on account of genuine constraints/ difficulties.
V The initial corpus of the fund was ₹ 29,763 crore.

Which of the above statement(s) is/are correct?
(A) (I), (II), (III), and (IV)
(B) (II), (III), (IV), and (V)
(C) (I), (III), (IV), and (V)
(D) (I), (II), (IV), and (V)

Oct/Nov 2019

62. Which of the following statements correctly indicates how overdue interest is treated under RIDF?

NODIA

4. Undertakes regular field visits to monitor project progress at the district level.

(A) P-2, Q-4, R-1, S-3
(B) P-4, Q-2, R-3, S-1
(C) P-1, Q-3, R-2, S-4
(D) P-3, Q-1, R-4, S-2

May/June 2006

75. What is the most appropriate reason explaining why banks became hesitant to deliver credit to certain sectors of agriculture post-1991 financial reforms?
(A) The RBI legally banned all priority sector lending for agriculture.
(B) Farmers voluntarily stopped utilizing credit due to a sudden surplus of annual agricultural income.
(C) All agricultural credit functions were transferred directly to the World Bank.
(D) Prudential norms and large non-performing assets (NPAs) made banks cautious regarding new loans.

Oct/Nov 2017

76. Which of the following provides the best rationale for the implementation phase of projects sanctioned under the RIDF being spread over two to five years?
(A) To intentionally delay fund disbursement and allow NABARD to accrue higher interest on the corpus.
(B) To strictly match the tenure of the elected State Governments.
(C) To restrict the states from executing more than one project simultaneously.
(D) To accommodate varying project types and locations, ensuring realistic timelines for their successful completion.

May/June 2008

77. Which of the following statements correctly highlights a specific measure taken under Trade and Capital Flows Reforms post-1991?
(A) Foreign direct investment was completely banned in all high-tech industries.
(B) Increasing import tariffs on capital goods to 300% to protect burgeoning domestic industries.
(C) Full convertibility of the rupee on the capital account was implemented immediately in 1991.
(D) Amending FERA to place FERA companies on par with Indian companies for operational purposes.

Oct/Nov 2013

78. Conceptually, what is the consequence of an RIDF project being classified as a "non-starter"?
(A) The State Government becomes liable for a financial penalty equal to the total estimated project cost.
(B) The mobilization advance is doubled to encourage commencement.
(C) The project is automatically transferred to a private sector developer.
(D) Sanctions lapse if the State Government fails to ground the project within 18 months of approval.

May/June 2015

79. Identify the incorrect statement regarding the monitoring mechanisms established for RIDF projects.
(A) Regional Offices of NABARD are made responsible for preparation of the agenda for High-Powered Committee meetings.
(B) Field monitoring is conducted exclusively by independent private auditing firms without NABARD's involvement.
(C) The High-Powered Committee is presided over by the Chief Secretary of the respective state.
(D) District Development Managers monitor the progress of projects at the district level.

Oct/Nov 2012

80. Read the following scenario and answer the question:
A State Government submits an ambitious project for minor community irrigation under RIDF. The total estimated cost of the project is ₹ 100 crores. The State requests NABARD to finance 100% of the project cost. Based on RIDF guidelines, what is the maximum loan extent NABARD can sanction for this agri-related sector project?
(A) ₹ 50 crores
(B) ₹ 75 crores
(C) Between ₹ 80 crores and ₹ 95 crores
(D) ₹ 100 crores

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ANSWERS

1. (D) Lack of proper delivery systems, uneven SHG spread, and a mismatch between program capacity and needs.
The restructuring of the Swarnjayanti Gram Swarozgar Yojana into the National Rural Livelihoods Mission was necessitated by significant operational challenges. Evaluations revealed that the previous program suffered from a lack of proper delivery systems and an uneven spread of self-help groups across states. Furthermore, there was a mismatch between the capacity of the program and actual needs.

2. (C) The individual is entitled to an unemployment allowance and compensation.
Under the rights-based framework of the Mahatma Gandhi National Rural Employment Guarantee Act, adult members of rural households have a legal entitlement to work. If authorities fail to provide unskilled manual labor within fifteen days of demand, the applicant becomes legally entitled to an unemployment allowance and compensation for the delay, ensuring accountability in the program's administrative implementation.

3. (C) States can develop their own livelihood plans and annual action plans based on inter-se poverty ratios.
The National Rural Livelihoods Mission shifted from an allocation-based strategy to a demand-driven approach. This conceptual change allows states to develop their own livelihood plans and annual action plans based on inter-se poverty ratios. This flexibility ensures that poverty reduction strategies are tailored to the specific socio-economic conditions and needs identified at the state and community levels.

4. (C) It allocated a budget of ₹ 12,000 crores for a period of five years.
The Pradhan Mantri Yuva Yojana was launched to foster entrepreneurship among youth through online training and mentorship. While it targets individuals under thirty years of age over a five-year period, the budgetary allocation mentioned is incorrect. The actual financial outlay for the scheme's implementation was significantly lower than twelve thousand crores, which is instead associated with other skilling initiatives.

5. (B) NIRD&PR - Evaluated the SGSY program highlighting mixed results and high attrition rates.
The National Institute of Rural Development and Panchayati Raj played a crucial role in evaluating the Swarnjayanti Gram Swarozgar Yojana. Their assessment highlighted mixed results and high attrition rates, providing the necessary evidence base for restructuring the scheme. This institution focuses on research and training to enhance the effectiveness of rural development policies and their implementation across various Indian states.

6. (B) (II), (I), (IV), (III)
The establishment of entrepreneurship institutes and skilling schemes followed a chronological progression starting in the 1980s. NIESBUD was founded in 1983, followed by the Indian Institute of Entrepreneurship in 1993. Much later, the Pradhan Mantri Kaushal Vikas Yojana was launched in 2015 to promote large-scale skilling. Finally, the Pradhan Mantri Yuva Yojana was introduced in November 2016 to foster entrepreneurship among youth.

7. (B) All households identified as poor through Participatory Identification of Poor (PIP) at the community level.
The National Rural Livelihoods Mission defines its target group using a community-led identification process. Instead of relying solely on administrative records, it utilizes the Participatory Identification of Poor. This method ensures that the target group includes all households recognized as poor by their own communities, facilitating more accurate targeting and inclusion of the most vulnerable families in rural areas.

8. (A) (I), (II), and (III)
NRLM's financial inclusion strategy addresses both the demand and supply sides of the sector.

NODIA

(B) Complete and immediate privatization of all strategic defense industries.
(C) Provision of greater managerial autonomy to public enterprises.
(D) Encouraging private sector competition in areas where social considerations are not paramount.

Oct/Nov 2018

88. Identify the incorrect statement regarding the operational structure of RIDF.
(A) The cumulative allocation under RIDF reached ₹ 3,78,022 crore, including the Bharat Nirman Program.
(B) Cost escalation proposals for genuine reasons are never considered under any circumstances.
(C) From RIDF-XV onwards, the allocation to RIDF is being met out of shortfalls from priority sector and/or agriculture and/or weaker section (10%).
(D) NABARD releases the sanctioned amount generally on a reimbursement basis.

May/June 2007

89. In the context of the 1991 economic reforms, which of the following defines macro-economic stabilization?
(A) Increasing the role of the public sector by nationalizing major private banking institutions.
(B) Policies intended for demand management to balance aggregate demand and supply.
(C) Eliminating all taxes on corporate entities and increasing subsidies universally.
(D) Closing the domestic economy to foreign direct investment.

Oct/Nov 2025

90. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the options given below.
Assertion (A): Under RIDF, if a State Government/Union Territory fails to pay the interest on the due date, it becomes liable to pay overdue interest on the overdue amount.
Reason (R): This penalty mechanism ensures strict financial discipline and protects the corpus from defaults, with the overdue interest charged at the same rate as applicable to the principal amount.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2012

91. What was the most significant behavioral effect of the existence of large NPAs on commercial banks following the 1996-97 Economic Survey?
(A) Banks became extremely cautious with fresh loans and very vigilant in credit appraisal.
(B) Banks aggressively expanded unsecured lending to small and marginal farmers.
(C) Banks voluntarily reduced the capital adequacy ratio to increase liquidity for high-risk lending.
(D) Banks began lending exclusively to heavy industries at 0% interest.

Oct/Nov 2014

92. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the options given below.
Assertion (A): Despite some increase in total investment in agriculture from 1990-91 to 1995-96, the share of public investment in agriculture had fallen.
Reason (R): Resources were largely diverted from public capital formation (investment) to current expenditure in the form of increased subsidies for food and other agricultural inputs.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2019

93. Conceptually, how did the "deregulation of industry and trade" in 1991 impact the government's administrative expenditure?
(A) It significantly increased expenditure

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Oct/Nov 2017

118. According to the Narasimham Committee recommendations, what was the policy regarding opening new branches by banks that met capital adequacy and prudential norms?
(A) They required individual approval for every branch.
(B) They were banned from opening any new branches for a decade.
(C) They were only allowed to open branches in foreign countries.
(D) They were given freedom to open new branches and close non-viable urban branches.

May/June 2008

119. Under the Interest Subvention Scheme (ISS) for short-term crop loans, what is the effective interest rate for farmers who repay their loans promptly?
(A) 2%
(B) 4%
(C) 7%
(D) 9%

Oct/Nov 2013

120. Which of the following statements correctly describes the impact of economic reforms on agricultural exports?
(A) Growth was attributed to enhanced infrastructure support and relaxed export control measures.
(B) The Uruguay Round of GATT placed severe restrictions on India, dropping agricultural exports to near zero.
(C) The total export of agricultural products decreased sharply to under ₹ 5,000 crores in that period.
(D) Import duties on capital goods, particularly for greenhouse equipment, were substantially increased to discourage exports.

May/June 2015

121. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the options given below.
Assertion (A): The target for agricultural credit flow for FY 2022 was set at ₹ 16.5 lakh crore in the Union Budget.
Reason (R): This target was set to maintain the momentum, as the actual agricultural credit disbursed till 31st March 2021 was ₹ 15.6 lakh crore, against a target of ₹ 15.0 lakh crore.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2012

122. Read the following scenario and answer the question:
A cluster of farmers intends to invest in high-capacity, precision farm machinery. However, due to low individual land holdings, outright purchase is unviable. Which government strategy explicitly addresses this constraint by establishing infrastructure for custom hiring services?
(A) Launching the e-NAM electronic portal
(B) Executing the Market Intervention Scheme (MIS)
(C) Establishing Farm Machinery Bank & Hi-tech hubs
(D) Waiving collateral limits under KCC

May/June 2011

123. Match the items in List I with the corresponding data points in List II and select the correct answer using the options given below.
List I: (Indicator)
P. India's agricultural and allied exports in FY 2021
Q. Minimum Support Price (MSP) level fixed for Kharif & Rabi (2018-19)
R. Average farm power availability expected by 2022
S. Agricultural credit target for FY 2019-20
List II: (Value)
1. 4.0 kW/ha
2. At least 150 percent of the cost of production
3. ₹ 13.50 lakh crore
4. 41.3 billion USD
(A) P-4, Q-2, R-1, S-3
(B) P-2, Q-1, R-4, S-3
(C) P-4, Q-1, R-2, S-3
(D) P-1, Q-3, R-2, S-4

NODIA

(A) ₹ 1.00 lakh
(B) ₹ 1.60 lakh
(C) ₹ 3.00 lakh
(D) ₹ 5.00 lakh

Oct/Nov 2016

100. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the options given below.
Assertion (A): During the economic crisis, no specific reform was announced directly for the agricultural sector.
Reason (R): The rural economy is predominantly dependent upon agriculture, and therefore, macroeconomic and financial sector reforms had only an indirect effect on the rural economy.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2014

101. Read the following scenario and answer the question:
A small farmer harvests their crop but faces depressed market prices immediately post-harvest. To discourage distress sale, the farmer stores the produce in a warehouse against negotiable receipts. Under the Interest Subvention Scheme, for how long will the subvention be available to this farmer post-harvest at the same rate as the crop loan?
(A) Up to six months
(B) Up to three months
(C) Up to nine months
(D) Up to twelve months

Oct/Nov 2007

102. Identify the incorrect statement regarding the changes in interest rates following the financial sector reforms.
(A) Interest rates on advances of all Co-operative banks and Regional Rural Banks were strictly capped by the RBI.
(B) Administered interest rates on bank advances were reduced from more than 20 in 1989-90 to 2.
(C) Interest rates of commercial banks on loans above ₹ 2 lakhs were fully deregulated.
(D) Interest rate determination was increasingly based on the grounds of market forces such as demand and supply.

May/June 2025

103. Match the items in List I with the corresponding operational features in List II and select the correct answer using the options given below.
List I: (Initiative)
P. PM-KISAN
Q. PM-KMY
R. PMFBY
S. PKVY
List II: (Feature)
1. Launched for promoting organic farming.
2. Provides a minimum fixed pension of ₹ 3,000 to eligible small and marginal farmers on attaining 60 years.
3. Provides a payment of ₹ 6,000 per year in three 4-monthly installments.
4. Provides insurance cover for all stages of the crop cycle with low premium contribution.
(A) P-3, Q-2, R-4, S-1
(B) P-2, Q-3, R-1, S-4
(C) P-1, Q-4, R-2, S-3
(D) P-1, Q-4, R-3, S-2

Oct/Nov 2019

104. Conceptually, why is there a "complementary relationship" between public and private investment in agriculture?
(A) Because public investment crowd-outs private investment entirely.
(B) Private investment is legally prohibited unless it is directly matched by public sector funds.
(C) Because foreign direct investment replaces the need for both public and private domestic investment.
(D) Diverting resources to subsidies slows growth; increasing public investment catalyzes private investment.

May/June 2009

105. What is the most appropriate reason for the amendment of the Indian Forest Act, 1927, to remove Bamboo from the definition of trees?
(A) To allow unregulated deforestation of protected national parks.

NODIA

May/June 2011

81. Consider the following statements regarding the financial sector reforms recommended by the Narasimham Committee (1991):
(I) The committee recommended a gradual reduction of the reserve requirements (both SLR and CRR) to be maintained by banks.
(II) The committee recommended the complete abolition of the priority sector and the immediate closure of all rural bank branches.
Which of the above statement(s) is/are correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

Oct/Nov 2020

82. Consider the following statements regarding the monitoring of RIDF projects:
I Field monitoring is supplemented with desk reviews and periodic returns.
II A High-Powered Committee presided over by the Chief Secretary is constituted at the state level to undertake review implementation.
III No commitment charges are levied for withdrawal of projects if decided by the Projects Sanctioning Committee.
IV Projects are immediately cancelled if any cost escalation proposals are submitted.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III)
(B) (II), (III), and (IV)
(C) (I), (III), and (IV)
(D) (I), (II), and (IV)

May/June 2022

83. Which of the following is NOT one of the three broad categories under which the 37 eligible activities of RIDF are classified?
(A) Agriculture and related sector
(B) Social sector
(C) Rural connectivity
(D) Military infrastructure

Oct/Nov 2023

84. Conceptually, what was the primary fiscal adjustment strategy adopted by the government during the mid-1990s to combat the large fiscal deficit?
(A) Increasing borrowing from the RBI to finance administrative expenditure.
(B) Removing all direct taxes to increase consumer spending.
(C) Progressively reducing the overall public sector deficit to about 3 to 4 percent of GDP.
(D) Quadrupling subsidies for all industrial products.

May/June 2016

85. Read the following scenario and answer the question:
A State Government sanctioned an RIDF project but failed to ground it within a period of 18 months from the date of the sanction letter due to unforeseen administrative constraints. No drawals were made. The State requests withdrawal of the project. Under normal circumstances (unless decided otherwise by the Projects Sanctioning Committee), will commitment charges be levied for this withdrawal?
(A) Yes, a flat 10% commitment charge is mandatory.
(B) Yes, a 5% penalty is deducted from the state's budget.
(C) No commitment charges will be levied for such withdrawals on account of genuine constraints.
(D) Yes, the State is banned from RIDF participation for 5 years.

Oct/Nov 2009

86. Consider the following statements regarding the repayment of RIDF loans:
(I) Loans are to be repaid in equal annual instalments within seven years from the date of withdrawal, including a grace period of two years.
(II) If a State Government fails to pay the interest on the due date, it is completely waived off without any penalty.
Which of the above statement(s) is/are correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

May/June 2023

87. Which of the following was NOT a measure adopted under Public Sector Reforms following the 1991 crisis?
(A) Reduction of budgetary support to public sector enterprises in a phased manner.

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collateral-free limits to support diversified allied activities.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2015

112. Which of the following is NOT cited as a reason or consequence associated with the high domestic inflation and worsening balance of payments leading up to 1991?

(A) A large and growing fiscal deficit of the government.
(B) Heavy reliance on lowering customs tariffs to zero during the 1980s.
(C) Government's expenditure being heavily concentrated on consumption and subsidy payments.
(D) The fiscal deficit reaching the level of 11 per cent by 1991.

May/June 2013

113. Read the following scenario regarding a bank branch and answer the question:
Post-1991 reforms, a commercial bank identifies one of its branches as chronically non-viable and wishes to close it down to optimize operational efficiency. Based on the stipulated reform conditions, which of the following actions is the bank permitted to take without prior RBI approval?

(A) It can close any branch, including those in rural and semi-urban areas.
(B) It cannot close any branch without the direct consent of the State Government.
(C) It can only close the branch if it replaces it with two new branches within the same district.
(D) It can close non-viable branches in urban areas, but not in rural and semi-urban areas.

Oct/Nov 2021

114. Conceptually, what is the core mechanism by which the new Credit Guarantee Fund Scheme supports Farmer Producer Companies (FPCs)?

(A) It provides direct cash grants to FPCs to be distributed among their individual members.
(B) It provides Credit Guarantee Cover to lenders so FPCs can receive collateral-free credit.
(C) It waives all existing bank loans of FPC members entirely.
(D) It forces commercial banks to buy equity shares in FPCs.

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May/June 2024

115. What was the primary objective of the package of measures announced by the Government in June 2004 regarding agricultural credit?

(A) To completely eliminate agricultural credit and focus on industrial loans.
(B) To strictly recover all bad debts by seizing agricultural lands of defaulting borrowers.
(C) To transfer the burden of agricultural credit entirely to informal money lenders.
(D) To double agricultural credit in three years with 30 per cent growth for 2004-05.

Oct/Nov 2008

116. Which of the following statements correctly identifies a financial sector reform implemented post-1991?

(A) Interest rates on commercial bank loans exceeding ₹ 2 lakhs were subjected to strict regulatory caps.
(B) All foreign banks were mandated to close their operations in India.
(C) The number of administered interest rates on bank advances was increased from 2 to over 20.
(D) Minimum capital adequacy norms were fixed at 8% of risk-weighted assets per Basle Committee norms.

May/June 2006

117. Which of the following is NOT an intervention or scheme launched by the Government for the benefit of farmers as part of the initiative to double farmers' income?

(A) Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA)
(B) Mission for Integrated Development of Horticulture (MIDH) for bee keeping
(C) National Urban Livelihoods Mission (NULM)
(D) "Per drop more crop" initiative for drip/sprinkler irrigation

(B) To strictly reserve bamboo resources exclusively for industrial paper and pulp manufacturing.
(C) To promote agro-forestry and bamboo plantation on non-forest land for additional income.
(D) To reduce the agricultural export of bamboo products to international markets.

Oct/Nov 2011

106. Consider the following specific measures introduced under Trade and Capital Flows Reforms (1991):
I Adjustment of the rupee value downward.
II Liberalization of the import regime.
III Substantial lowering in customs tariff rates.
IV Recanalization of many items.
V Automatic clearance for import of capital goods in cases where foreign exchange flows through foreign equity.
Which of the above statement(s) is/are correct?
(A) (I), (II), (III), and (V)
(B) (I), (II), (III), (IV), and (V)
(C) (II), (III), (IV), and (V)
(D) (I), (III), (IV), and (V)

May/June 2010

107. Which of the following statements is correct regarding the National Agriculture Market (e-NAM)?
(A) The Small Farmers' Agribusiness Consortium (SFAC) acts as the Lead Promoter of NAM.
(B) It is an offline physical market restricted to a single state.
(C) The scheme bans the integration of APMCs across different states.
(D) It restricts membership strictly to large corporate traders, excluding individual farmers.

Oct/Nov 2024

108. Match the items in List I with the corresponding data points in List II and select the correct answer using the options given below.
List I: (Indicator)
P. Fiscal deficit at the beginning of the 70s
Q. Fiscal deficit reached by 1991
R. SLR prior to reduction
S. CRR prior to reduction
List II: (Data Point)
1. 38.5%
2. 15%
3. Less than 7% of GDP
4. 11%
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-4, S-3
(D) P-2, Q-1, R-3, S-4

May/June 2017

109. Read the following scenario and answer the question:
A small farmer in a rural district enrolls in the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme. To help manage domestic and agricultural expenses, how will the income support be disbursed to the farmer's account annually?
(A) A single lump-sum payment of ₹ 6,000 at the beginning of the financial year.
(B) Twelve monthly installments of ₹ 500 each.
(C) A payment of ₹ 3,000 every six months.
(D) Three 4-monthly installments of ₹ 2,000 each.

Oct/Nov 2005

110. Identify the incorrect statement regarding the banking sector reforms introduced following the Narasimham Committee II (1998) report.
(A) Changes were brought in the requirement for maintenance of capital to risk-weighted assets ratio (CRAR).
(B) Banks were subjected to asset-liability management (ALM) practices.
(C) The Credit Information Bureau (India) Ltd. (CIBIL) was dismantled to protect borrower privacy.
(D) Income recognition, asset classification, and provisioning norms were tightened.

May/June 2020

111. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the options given below.
Assertion (A): The Government extended the facility of Kisan Credit Card (KCC) to farmers practicing animal husbandry and fisheries related activities.
Reason (R): Extending KCC to these sectors ensures flow of adequate and timely short-term credit, waiving processing fees and raising

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Oct/Nov 2020

124. Which of the following is an exception to the recent market reforms and initiatives rolled out for the agriculture sector?

(A) Re-introducing strict capacity caps and licensing for rural micro-enterprises under the MRTP Act.

(B) Establishment of 22,000 Gramin Agriculture Markets (GrAMs) as aggregation platforms.

(C) Passing of the Farmers Produce Trade and Commerce (Promotion & Facilitation) Ordinance, 2020.

(D) Launching of a program to promote 10,000 FPOs by 2024.

May/June 2022

125. Based on the following scenario, answer the question:

During a bumper crop arrival period, the market price of a perishable horticultural commodity falls sharply below economic levels and cost of production. To protect the growers from making distress sales, which specific scheme provides the mechanism for procurement intervention?

(A) PM-KMY

(B) Market Intervention Scheme (MIS)

(C) PMFBY

(D) National Bamboo Mission

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because the government had to hire many more regulatory staff.
(B) It had no effect on administrative expenditure.
(C) It was expected to reduce supervisory functions, containing the growth of administrative expenditure.
(D) It shifted all administrative expenditures to the state governments.

Oct/Nov 2006

94. Identify the incorrect statement regarding the corpus funds created for agricultural infrastructure and marketing.
(A) The Micro Irrigation Fund has a corpus of ₹ 5,000 crores.
(B) The Agri-marketing Fund to strengthen eNAM and GrAMs has a corpus of ₹ 2,000 crores.
(C) The Credit Guarantee Fund Scheme for FPCs provides collateral-free credit with a fixed corpus of ₹ 50,000 crores.
(D) The Agricultural Infrastructure Fund (AIF) was built to support agri-logistics with a corpus of ₹ 1 lakh crore.

May/June 2021

95. Post-economic reforms, the government altered the subsidy structure for fertilizers. Nitrogenous fertilizers remained under a control price system, while phosphatic and potassic fertilizers were decontrolled. In August 1991, an initial 40% increase in controlled fertilizer prices was adjusted. What was the revised percentage increase, and who was exempted?
(A) The increase was reduced to 10%, and all farmers were exempted from the price hike.
(B) The increase was reduced to 30%, and small and marginal farmers were exempted altogether.
(C) The increase was maintained at 40%, with only commercial plantations exempted.
(D) The increase was elevated to 50%, and no one was exempted.

Oct/Nov 2010

96. Match the items in List I with the corresponding financial values in List II and select the correct answer using the options given below.
List I: (Fund/Target)
P. Agricultural credit flow target for 2020-21
Q. Micro Irrigation Fund
R. Agricultural Infrastructure Fund (AIF)
S. Agri-marketing Fund (eNAM/GrAMs)
List II: (Financial Value)
1. ₹ 1 lakh crore
2. ₹ 5,000 crores
3. ₹ 2,000 crores
4. ₹ 15.00 lakh crore
(A) P-4, Q-2, R-1, S-3
(B) P-1, Q-3, R-4, S-2
(C) P-2, Q-4, R-3, S-1
(D) P-3, Q-1, R-2, S-4

May/June 2005

97. Consider the following components of the macroeconomic stabilization policies introduced in 1991:
I Providing a better balance between aggregate demand and supply.
II Minimizing the distortion effects of the tax system.
III Forcing public enterprises to minimize cost and maximize efficiency.
IV Increasing the fiscal deficit beyond 11 percent of the GDP to stimulate growth.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III)
(B) (II), (III), and (IV)
(C) (I), (III), and (IV)
(D) (I), (II), and (IV)

Oct/Nov 2022

98. The strategy recommended for doubling farmers' income includes seven sources of income growth. Which of the following is NOT one of those seven sources?
(A) Shift from non-farm occupations back to purely traditional farming.
(B) Improvement in crop and livestock productivity.
(C) Resource use efficiency or savings in the cost of production.
(D) Diversification towards high-value crops.

May/June 2018

99. Read the following scenario and answer the question:
A farmer practicing animal husbandry applies for a short-term agri-credit under the extended Kisan Credit Card (KCC) facility. The farmer lacks collateral. What is the newly raised collateral-free loan limit under KCC available to this farmer?

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On the demand side, it focuses on promoting financial literacy and providing catalytic capital to self-help groups. On the supply side, the mission coordinates with financial institutions to implement ICT-based technologies. However, it does not focus on providing large ticket infrastructure loans directly to state governments.

9. (B) 25%
The Pradhan Mantri Kaushal Vikas Yojana 2.0 introduced the Centrally Sponsored State Managed component to involve state governments more deeply in the skilling mission. Under this framework, twenty-five percent of the total funds and physical targets were allocated to the states. This ensures that vocational training programs are better aligned with regional economic requirements and local employment opportunities.

10. (C) Engaging 'Bank Mitras' and using ICT-based financial technologies for universal coverage.
To deliver financial services to remote rural communities lacking formal infrastructure, the National Rural Livelihoods Mission utilizes a technology-driven approach. By engaging 'Bank Mitras' and implementing ICT-based financial technologies, the mission ensures universal coverage against risks. This mechanism allows residents to access basic banking services and insurance protection for life and assets within their own local communities.

11. (D) Desert, hilly, or tribal areas - Population between 5,000 to 15,000.
Under the Shyama Prasad Mukherji Rurban Mission, a cluster is defined based on specific population thresholds to ensure effective development. In plain and coastal areas, the population should be between twenty-five thousand and fifty thousand. For desert, hilly, or tribal regions, the criteria are adjusted to a population range between five thousand and fifteen thousand, reflecting the lower density there.

12. (C) It mandates skilled manual work to enhance the technical capabilities of the rural population.
The Mahatma Gandhi National Rural Employment Guarantee Act, passed in August 2005, is a rights-based legislation providing a guarantee of one hundred days of wage employment. Its primary objective is to offer social protection and strengthen Panchayati Raj Institutions. However, the Act specifically mandates unskilled manual work for rural households rather than skilled labor, ensuring inclusion for the most vulnerable.

13. (D) Assertion (A) is false, but Reason (R) is true.
Evaluations of the Swarnjayanti Gram Swarozgar Yojana indicated that its focus on a single livelihood activity through one-off assetization failed to meet the diverse requirements of the poor. The program provided capital investment upfront as a subsidy without sufficient investment in social mobilization. Therefore, the assertion regarding the scheme's success is false, while the reason explaining the flawed implementation strategy is true.

14. (C) Current Status - Implementation restricted to exactly 300 Rurban clusters.
The Mahatma Gandhi National Rural Employment Guarantee Act was implemented in a phased manner, beginning with two hundred districts in 2006. It was extended to another one hundred thirty districts in 2007 and covered the remaining districts by April 2008. The claim that current implementation is restricted to only three hundred Rurban clusters is incorrect, as the Act is nationwide.

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15. (D) Strengthening rural areas by providing economic, social, and physical infrastructure in growth-potential clusters.
The Shyama Prasad Mukherji Rurban Mission was launched to bridge the rural-urban divide by developing clusters of villages. The rationale is to strengthen rural areas by providing economic, social, and physical infrastructure in locations showing high growth potential. This approach aims to create vibrant "rurban" areas that preserve rural essence while offering modern amenities to improve the local quality of life.

16. (A) 2010-11
The Ministry of Rural Development restructured the Swarnjayanti Gram Swarozgar Yojana into the National Rural Livelihoods Mission during the 2010 to 2011 financial year. This transition was part of a major policy shift toward a more professional, demand-driven, and results-oriented approach to poverty alleviation. The new

81. (A) Only (I) is correct
The Narasimham Committee of 1991 recommended several reforms to strengthen the banking sector, including a gradual reduction in reserve requirements like the Statutory Liquidity Ratio and Cash Reserve Ratio. While the first statement correctly reflects this recommendation, the second is false. The committee did not recommend the complete abolition of the priority sector or the immediate closure of all rural branches.

82. (A) (I), (II), and (III)
Monitoring RIDF projects involves field visits, desk reviews, and periodic returns to ensure progress. A High-Powered Committee, led by the Chief Secretary, reviews implementation at the state level to resolve bottlenecks. Commitment charges are typically not levied if projects are withdrawn due to genuine constraints as decided by the Sanctioning Committee. However, projects are not immediately cancelled simply because cost escalation proposals are submitted.

83. (D) Military infrastructure
Projects financed under the Rural Infrastructure Development Fund are categorized into three broad segments. These include the agricultural and related sector, the social sector, and rural connectivity. These categories encompass thirty-seven eligible activities ranging from irrigation to rural roads and schools. Military infrastructure is not included within this framework, as the fund is dedicated specifically to enhancing rural economic development.

84. (C) Progressively reducing the overall public sector deficit to about 3 to 4 percent of GDP.
To address the large fiscal deficit in the mid-1990s, the government implemented a strategy focused on fiscal consolidation. This primarily involved progressively reducing the overall public sector deficit with a target of bringing it down to approximately three to four percent of the GDP. This adjustment was intended to stabilize the economy, curb inflation, and reduce the burden of public debt.

85. (C) No commitment charges will be levied for such withdrawals on account of genuine constraints.
Under the Rural Infrastructure Development Fund operational guidelines, flexibility is provided for states facing genuine difficulties. If a project is not grounded within eighteen months and the state requests a withdrawal due to unforeseen administrative constraints, no commitment charges are typically levied. This policy allows for the realistic management of project portfolios without penalizing states for constraints beyond their immediate control.

86. (A) Only (I) is correct
Repayment terms for RIDF loans are strictly defined to ensure the revolving nature of the fund. Loans must be repaid in equal annual installments within seven years, including a two-year grace period. While the first statement is correct, the second is false; overdue interest is not waived. State governments are liable to pay penalties if interest payments are not made on time.

87. (B) Complete and immediate privatization of all strategic defense industries.
Following the 1991 economic crisis, the government initiated various public sector reforms, including reducing budgetary support and providing greater managerial autonomy. Private sector competition was encouraged in many areas to improve efficiency and reduce costs. However, the complete and immediate privatization of all strategic defense industries was not part of these measures, as defense remains a sector with significant national importance.

88. (B) Cost escalation proposals for genuine reasons are never considered under any circumstances.
The Rural Infrastructure Development Fund has evolved significantly, with cumulative allocations reaching substantial levels. Since RIDF-XV, funding is derived from priority sector shortfalls across various segments. While the fund operates on a reimbursement basis, the claim that cost escalation proposals are never considered is incorrect. NABARD and the Sanctioning Committee can consider such proposals when genuine and justified reasons are provided.

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25. (C) (I), (II), (III), and (IV)
The goals of the Mahatma Gandhi National Rural Employment Guarantee Act include providing social protection to vulnerable rural populations and rejuvenating natural resources. It also aims to empower disadvantaged groups through a rights-based framework and strengthen decentralized planning through community convergence. However, the program does not aim to transition entirely to mechanized, capital-intensive farming, as its primary focus is manual labor.

26. (D) Inclusion of the poorest, with a meaningful role assigned to them in all processes.
A core value guiding all activities under the National Rural Livelihoods Mission is the inclusion of the poorest individuals. The mission ensures that these vulnerable segments are not just passive recipients but are assigned meaningful roles in planning and implementation processes. This approach fosters ownership and self-reliance, ensuring that poverty reduction efforts are genuinely inclusive and responsive to the community's needs.

27. (A) Establishment of large-scale heavy steel manufacturing plants.
An ideal Rurban cluster under the Shyama Prasad Mukherji Rurban Mission is designed to provide urban-like amenities while preserving rural character. Desirable components include piped water supply, waste management, road connectivity, and education facilities. However, the establishment of large-scale heavy steel manufacturing plants is not part of the envisaged local economic drivers, which focus more on agro-processing and allied activities.

28. (A) The list must be vetted by the Gram Sabha and approved by the Gram Panchayat.
In the National Rural Livelihoods Mission, the Participatory Identification of Poor process is used to generate a list of potential beneficiaries. Once this list is developed at the community level, the immediate next procedural step requires it to be vetted by the Gram Sabha and formally approved by the Gram Panchayat. This ensures transparency, local accountability, and community consensus before households are recognized.

29. (C) Contiguous villages with 25,000–50,000 population in plains or 5,000–15,000 in desert/hilly/tribal areas.
The Shyama Prasad Mukherji Rurban Mission defines a 'Rurban cluster' as a group of contiguous villages showing high growth potential. The population criteria for these clusters are twenty-five thousand to fifty thousand in plain areas and five thousand to fifteen thousand in desert, hilly, or tribal regions. This clustering approach allows for the efficient provision of urban-like infrastructure and economic opportunities.

30. (C) Both (I) and (II) are correct
Under the Mahatma Gandhi National Rural Employment Guarantee Act, the Central Government has the authority to delegate certain powers to State Governments via official notification, excluding the power to make rules. Simultaneously, State Governments are empowered to make their own rules to implement the Act's provisions, provided these rules remain consistent with the overarching framework and rules established by the Central Government.

31. (C) Udaan Scheme
The Udaan scheme is specifically designed to address employment challenges faced by graduates and postgraduates in Jammu and Kashmir. For an engineering graduate struggling to find work, this initiative provides essential skilling and direct exposure to corporate India. By facilitating partnerships with leading companies, the scheme helps bridge the gap between academic education and the practical requirements of the corporate world.

32. (C) Both (I) and (II) are correct
Energy consumption patterns in rural areas show a significant reliance on non-commercial sources, such as firewood and cow dung, which account for eighty to ninety percent of usage for cooking and heating. Meanwhile, commercial energy forms like electricity and kerosene are predominantly consumed by more affluent households. Both statements correctly reflect the socio-economic disparities in energy access and rural consumption habits.

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65. (A) No drawals are made within one year from the date of the sanction letter.
Within the RIDF framework, a project is formally classified as a "non-starter" if the state government makes no financial drawals within one year from the date of the sanction letter. This indicator is used to identify projects that have failed to commence as planned. Such classification allows NABARD to monitor implementation efficiency and potentially reallocate funds to other viable projects.

66. (A) P-2, Q-1, R-4, S-3
Financial sector reforms post-1991 included significant adjustments to reserve requirements and prudential norms. The Statutory Liquidity Ratio was reduced from thirty-eight point five percent to twenty-five percent, while the Cash Reserve Ratio dropped from fifteen to ten percent. Minimum capital adequacy was set at eight percent of risk-weighted assets, and interest rates on loans above two lakhs were fully deregulated.

67. (C) Foreign Multi-National Corporations operating in Special Economic Zones
Several entities are eligible to submit project proposals for RIDF financing to improve rural infrastructure. These include state governments, union territories, Panchayati Raj Institutions, and self-help groups. State-owned corporations and undertakings are also eligible. However, foreign multi-national corporations operating in Special Economic Zones are not among the eligible entities, as the fund is strictly dedicated to domestic rural development and local communities.

68. (B) RBI directs the bank to place deposits with NABARD under RIDF corresponding to the shortfall.
When a commercial bank fails to meet its priority sector lending targets for agriculture, regulatory mechanics require corrective action. The Reserve Bank of India directs the defaulting bank to place deposits with NABARD under the Rural Infrastructure Development Fund. The amount of these deposits corresponds to the shortfall in lending, ensuring that these funds are still used for rural infrastructure development.

69. (C) 20%
During the initial phase of the trade and capital flows reforms in July 1991, the Indian government adjusted the value of the rupee downward by approximately twenty percent. This devaluation was a strategic move designed to improve the competitiveness of Indian exports and address the severe balance of payments crisis by making imports more expensive and encouraging foreign exchange inflows.

70. (C) Interest is paid at the end of each quarter, including during the applicable grace period.
The Rural Infrastructure Development Fund operates with a clear interest payment framework. Borrowers are required to pay interest at the end of each quarter throughout the loan term. This obligation remains in effect even during the applicable two-year grace period. This quarterly payment system ensures a steady flow of returns to the fund and maintains financial discipline among the participating states.

71. (B) (I) and (II)
Post-1991 financial sector reforms introduced prudential norms for income recognition and asset classification. Commercial banks were granted greater autonomy, allowing those meeting specific conditions to open new branches without individual RBI approval. These measures aimed to improve the health and efficiency of the banking system. However, the incremental cash reserve ratio was not doubled; instead, the overall trend was toward reducing reserve requirements.

72. (D) (I), (II), and (III)
Loans provided under the Rural Infrastructure Development Fund are secured through several mandatory legal mechanisms. These include an irrevocable letter of authority or mandate registered with the Reserve Bank of India or a scheduled commercial bank. Additionally, states must provide an unconditional guarantee and execute a Time Promissory Note. These security features ensure that the funds are protected and repayment obligations are legally binding.

73. (D) To align allocation with the shortfall in financing marginalized segments and broaden the contributing bank base.
The decision to shift the RIDF allocation basis from the eighteen percent agriculture sub-

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41. (B) An initial mobilization advance of 50% is provided to all states other than North Eastern & Hilly States.
The Rural Infrastructure Development Fund operates on a reimbursement basis, where sanctioned amounts are released after expenditure. While mobilization advances are provided to facilitate project commencement, the standard initial advance is not fifty percent for all states. Instead, specific percentages apply to North Eastern and Hilly States, and the general provision follows different established guidelines for initial mobilization.

42. (A) The Central Government bears 100% of the cost of unskilled manual labor.
Under the funding pattern of the Mahatma Gandhi National Rural Employment Guarantee Act, the Central Government bears the entire cost of wages for unskilled manual labor. Other costs, such as material and administrative expenses, are shared between the Centre and the State in a seventy-five to twenty-five ratio. This financial structure ensures that the primary wage-earning benefit for rural workers is fully funded centrally.

43. (A) P-2, Q-3, R-1, S-4
The Pradhan Mantri Krishi Sinchayee Yojana integrates several existing irrigation schemes under different ministries. The Accelerated Irrigation Benefit Program is managed by the Ministry of Water Resources, while the Integrated Watershed Management Program falls under Land Resources. On Farm Water Management is handled by the Department of Agriculture, and the motto “Har Khet Ko Pani” defines the overall mission of the scheme.

44. (D) To achieve field-level irrigation investment convergence and expand cultivable areas under assured irrigation.
The conceptual objective of the Pradhan Mantri Krishi Sinchayee Yojana is to streamline irrigation investments at the field level through convergence. It aims to expand the total cultivable area under assured irrigation and improve on-farm water use efficiency. By integrating various programs, the scheme seeks to ensure that every farm has access to water, thereby increasing agricultural productivity and sustainable water management.

45. (C) ₹ 2,000 crore
The Rural Infrastructure Development Fund was established within NABARD during the 1995 to 1996 period to provide low-cost funding for rural infrastructure projects. At its inception, the fund was instituted with an initial corpus of two thousand crore. Over the years, its scope and cumulative allocation have grown significantly to support diverse developmental activities across various Indian states.

46. (A) Only (I) is correct
The Indian Institute of Entrepreneurship was established in 1993 in Guwahati to provide training and conduct research in small and micro-enterprises. While the first statement is correct, the second is not; the institute does not operate under the Ministry of External Affairs. Instead, its administrative control was transferred to the Ministry of Skill Development and Entrepreneurship to align with national skilling goals.

47. (B) Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)
To improve farm water use efficiency and adopt precision irrigation technologies in semi-arid districts, projects should align with the Pradhan Mantri Krishi Sinchayee Yojana. This overarching scheme focuses on “Per Drop More Crop” and provides the framework for convergence of irrigation investments. It is the primary national initiative for securing funding and technical support to enhance agricultural productivity through sustainable water management.

48. (B) Pradhan Mantri Yuva Yojana
An aspiring entrepreneur seeking mentor networks and online training procedures fits the operational parameters of the Pradhan Mantri Yuva Yojana. This scheme promotes entrepreneurship among youth through a digitized enrollment process and utilizes digital platforms for training. It aims to create a supportive ecosystem by connecting early-stage entrepreneurs with established mentors and peer networks, facilitating the growth of new business ventures.

49. (A) (I) and (II)
The Pradhan Mantri Krishi Sinchayee Yojana was created by merging existing programs like

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mission focuses on building strong community institutions and promoting diverse livelihoods for rural households.

17. (A) A Special Industry Initiative for J&K youth to provide skills and corporate exposure.
The Udaan scheme is a unique initiative launched specifically for the youth of Jammu and Kashmir. It operates as a Special Industry Initiative designed to provide graduates and postgraduates with essential skills and exposure to corporate India. By connecting talented youth with leading companies, the program aims to enhance their employability and integrate them into the country's mainstream corporate sector.

18. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The National Rural Livelihoods Mission uses Participatory Identification of Poor to identify its target group, intentionally de-linking the process from the existing Below Poverty Line list. This community-level identification ensures that the poorest households are included based on current local realities rather than rigid or outdated administrative criteria. Both statements are true, and the reason correctly explains the necessity of this participatory approach.

19. (A) (II), (III), (IV), (I)
The evolution of rural development programs in India followed a specific timeline to improve poverty alleviation strategies. The Integrated Rural Development Program was launched first in 1980, followed by the Swarnjayanti Gram Swarozgar Yojana in 1999. The National Rural Livelihoods Mission was established in 2011, and it was eventually renamed as the Deendayal Antyodaya Yojana in 2015, completing the policy sequence.

20. (C) (I) and (III)
The Mahatma Gandhi National Rural Employment Guarantee Act operates as a demand-driven program where resource transfers to states depend on the actual demand for work. Decisions regarding the nature of projects are made in open Gram Sabha assemblies, promoting decentralized planning. It is not a top-down or supply-driven program; instead, it relies on self-selection by those seeking unskilled manual labor in rural areas.

21. (A) P-4, Q-1, R-3, S-2
Various institutes and schemes play distinct roles in promoting entrepreneurship and skills. NIESBUD has functioned since 1983, while the PMKVY aims to skill ten million youth with a substantial budget. The Udaan scheme provides corporate exposure to graduates from Jammu and Kashmir. Meanwhile, the PM Yuva Yojana connects aspiring entrepreneurs to mentor networks and digital hubs to support their early-stage ventures.

22. (B) Credit access must be provided primarily as an up-front capital subsidy before group formation.
The National Rural Livelihoods Mission is guided by principles that recognize the innate capabilities of the poor. It emphasizes social mobilization and the creation of external support structures to induce empowerment. However, it specifically avoids the practice of providing credit as an upfront capital subsidy before group formation. Instead, it focuses on building strong institutions first to ensure sustainable and productive credit usage.

23. (A) P-3, Q-4, R-1, S-2
The National Rural Livelihoods Mission utilizes several components to empower the poor. A Revolving Fund is provided in perpetuity to strengthen institutional capacity, while the Participatory Identification of Poor is a community-level process for identifying targets. Bank Mitras serve as community facilitators for financial inclusion. Finally, the Livelihoods Approach integrates social mobilization, credit access, and skill building to reduce poverty effectively.

24. (D) Transforming a footloose skills delivery model into a sustainable institutional model at the district level.
Pradhan Mantri Kaushal Kendras represent a strategic shift in vocational training. The conceptual objective is to transform the existing footloose skills delivery model into a more sustainable and institutionalized model at the district level. These centers aim to provide high-quality, standardized training that meets industry needs, ensuring that rural youth have access to

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57. (A) A fund for financing state governments and corporations to complete ongoing rural infrastructure projects.
The Rural Infrastructure Development Fund, managed by NABARD, was primarily established to provide financial assistance to state governments and state-owned corporations. Its main purpose is to ensure the completion of ongoing rural infrastructure projects that might otherwise be delayed due to lack of funds. By offering low-interest loans, the fund helps states improve rural connectivity, irrigation, and essential social infrastructure.

58. (C) Assertion (A) is true, but Reason (R) is false.
In May 2015, the administrative control of the National Institute for Entrepreneurship and Small Business Development was transferred to the Ministry of Skill Development and Entrepreneurship. This move was intended to align the institute's activities with national skilling and entrepreneurship goals. While the first statement is factually correct, the claim that this was done to dissolve the institute is entirely false.

59. (A) (I), (II), and (III)
The Drought Prone Areas Program, launched in 1973, aimed to restore ecological balance through water resource management and soil conservation. It emphasized afforestation and moisture conservation to mitigate the effects of drought. Although the program made significant efforts in these areas, it did not successfully achieve complete drought proofing in all designated blocks within its first five years of implementation as suggested.

60. (B) It initiates micro-watershed development in blocks having assured irrigation of less than 30%.
The National Watershed Development Project for Rainfed Areas is specifically designed to improve productivity in regions lacking assured irrigation. It targets blocks where the assured irrigation cover is less than thirty percent. By initiating micro-watershed development, the project aims to conserve moisture and prevent soil erosion, using methods such as vegetative barriers to support sustainable agriculture in these vulnerable rainfed blocks.

61. (A) (I), (II), (III), and (IV)
The Rural Infrastructure Development Fund framework currently covers thirty-seven eligible activities across various sectors. Interest on these loans is paid at the end of each quarter, and projects are classified as non-starters if no drawals occur within one year. NABARD also considers project withdrawals due to genuine constraints. However, the initial corpus of the fund was significantly lower than twenty-nine thousand crore.

62. (A) Overdue interest is charged at the same rate as applicable to the principal amount.
Under the Rural Infrastructure Development Fund guidelines, financial discipline is maintained through specific interest rules. If a state government fails to pay the required interest on the due date, it becomes liable for overdue interest. This penalty is charged at the same rate that is applicable to the principal amount, ensuring that the fund's corpus is protected from defaults and delays.

63. (A) P-2, Q-3, R-4, S-1
RIDF loans follow specific repayment and interest guidelines. The repayment period is seven years, which includes a two-year grace period. From RIDF-XV onwards, ten percent of the allocation is directed toward weaker sections. The interest rate for these loans is linked to the prevailing Bank Rate at the time of deposit, ensuring that the cost of capital remains aligned with market conditions.

64. (C) The government adopted a policy to increase budgetary support to public sector enterprises indefinitely.
Structural reforms since 1991 included abolishing industrial licensing for most categories and liberalizing foreign technology collaboration. Asset limits under the MRTP Act were also scrapped to encourage growth. However, the government did not adopt a policy to increase budgetary support to public sector enterprises indefinitely; instead, it moved toward reducing such support and encouraging these enterprises to become more competitive and efficient.

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the Accelerated Irrigation Benefit Program and the Integrated Watershed Management Program. It was launched with a five-year outlay of fifty thousand crore to expand assured irrigation. While it aims to improve farm productivity through better water management, it does not focus exclusively on providing flood-proofing measures for coastal cities.

50. (C) It aims at centralizing all power generation strictly within urban limits to reduce rural transmission costs.
The Deendayal Upadhyaya Gram Jyoti Yojana is a flagship scheme focusing on rural power supply. It subsumed the previous rural electrification program and is implemented by the Rural Electrification Corporation. Key features include feeder separation and network strengthening. However, the scheme does not aim to centralize power generation within urban limits; rather, it focuses on improving electricity access for rural populations.

51. (D) Agriculture and related sector, Social sector, and Rural connectivity.
Eligible activities under the Rural Infrastructure Development Fund are broadly classified into three essential categories. These include the agriculture and related sector, the social sector, and rural connectivity. Within these categories, there are currently thirty-seven specific activities, such as irrigation projects, school buildings, and rural roads, that qualify for financing to improve the basic infrastructure and quality of life in rural areas.

52. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The Shyama Prasad Mukherji Rurban Mission focuses on developing village clusters rather than isolated settlements because proximate villages often share economic drivers and growth potential. By grouping these villages, the mission can leverage locational and competitive advantages to create sustainable development. Both statements are factually true, and the reasoning correctly explains why the cluster approach is the preferred strategy for this mission.

53. (C) Fire wood, cow dung, and agricultural waste
Non-commercial energy in the Indian rural context consists of traditional fuels that are often collected rather than purchased through formal markets. The primary components are firewood, cow dung, and agricultural waste. These sources continue to provide the vast majority of energy consumed by rural households for essential daily activities like cooking and heating, reflecting the continued reliance on traditional biomass in many regions.

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54. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The Deendayal Upadhyaya Gram Jyoti Yojana prioritizes feeder separation to distinguish between rural household and agricultural power loads. This separation is crucial because it allows for continuous power delivery to homes while ensuring that agricultural consumers receive a regulated and adequate supply for their specific needs. Both statements are true, and the reason accurately explains how feeder separation facilitates improved energy management in rural districts.

55. (A) Use of vegetable barriers.
Under the National Watershed Development Project for Rainfed Areas, soil and moisture conservation is achieved through biological and physical interventions. The use of vegetable barriers is considered a principal and cost-effective means to prevent soil erosion and conserve moisture. This approach supports sustainable agriculture in rainfed regions by naturally stabilizing the soil and enhancing the ground's ability to retain essential rainwater for crops.

56. (B) (I), (II), and (III)
An ideal Rurban cluster under the Shyama Prasad Mukherji Rurban Mission integrates various economic and social components. These include skill development training, the provision of piped water supply, and Citizen Service Centres for electronic service delivery. While the mission aims to provide urban-like amenities to rural areas, it does not involve the establishment of large-scale, standalone urban municipalities within these rural clusters.

target to the ten percent weaker section sub-target was conceptually driven. This change aimed to align the fund's corpus with shortfalls in financing more marginalized segments of society. Additionally, it helped broaden the base of contributing commercial banks, ensuring that more institutions participate in funding rural infrastructure projects.

74. (A) P-2, Q-4, R-1, S-3
Effective monitoring of RIDF projects involves multiple stakeholders at different levels. At the state level, a High-Powered Committee reviews implementation, while District Development Managers conduct field visits. The Reserve Bank of India manages bank-wise allocations based on priority sector shortfalls. Meanwhile, the Nodal Department of the State Government, usually Finance, is responsible for submitting project proposals from various entities to NABARD.

75. (D) Prudential norms and large non-performing assets (NPAs) made banks cautious regarding new loans.
Following the 1991 financial reforms, the introduction of strict prudential norms and the presence of large non-performing assets significantly altered banking behavior. Commercial banks became increasingly hesitant to deliver credit to certain agricultural sectors as they focused on improving asset quality. This caution was a direct response to the need for better credit appraisal and the management of risks associated with high-risk lending.

76. (D) To accommodate varying project types and locations, ensuring realistic timelines for their successful completion.
The implementation phase for projects sanctioned under the Rural Infrastructure Development Fund is typically spread over two to five years. This spread is a deliberate design choice intended to accommodate different types of projects and their varying geographic locations. By providing a flexible timeframe, the fund ensures that states have realistic and achievable timelines to successfully complete complex infrastructure works.

77. (D) Amending FERA to place FERA companies on par with Indian companies for operational purposes.
A specific measure undertaken during the 1991 reforms involved amending the Foreign Exchange Regulation Act. This amendment was designed to place companies regulated under FERA on the same footing as Indian companies for operational purposes. This shift was a significant step toward liberalizing the business environment and encouraging foreign investment by removing discriminatory regulations that had previously restricted international firms.

78. (D) Sanctions lapse if the State Government fails to ground the project within 18 months of approval.
Within the RIDF framework, the classification of a project as a "non-starter" has serious administrative consequences. If a state government fails to ground the project and make drawals within eighteen months of the approval date, the sanctioned amount effectively lapses. This rule prevents the indefinite locking of funds in inactive projects, ensuring that resources are available for active and timely infrastructure development.

79. (B) Field monitoring is conducted exclusively by independent private auditing firms without NABARD's involvement.
Monitoring of RIDF projects is a collaborative process involving various agencies. NABARD's Regional Offices prepare agendas for review meetings, and District Development Managers conduct field monitoring. A High-Powered Committee led by the Chief Secretary provides state-level oversight. The claim that monitoring is conducted exclusively by private firms without NABARD's involvement is incorrect, as NABARD maintains a central and active role in monitoring.

80. (C) Between ₹ 80 crores and ₹ 95 crores
According to RIDF guidelines, NABARD provides financing for a significant portion of project costs, but not the entire amount. For agricultural and related sector projects, the maximum loan extent typically ranges between eighty percent and ninety-five percent of the total project cost. Therefore, for a hundred crore project, the state would be eligible for a loan within that specific percentage range.

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33. (A) (I) and (II)
The Pradhan Mantri Yuva Yojana was designed to promote entrepreneurship among young individuals under thirty years of age. The project was initially planned for a five-year duration starting from its launch in 2016. However, the claim that all applications must be submitted physically at district headquarters is incorrect, as the scheme utilizes online training procedures and digitized enrollment forms for its implementation.

34. (D) Deendayal Upadhyaya Gram Jyoti Yojana
The Deendayal Upadhyaya Gram Jyoti Yojana is specifically designed to improve the quality of rural power supply. It addresses issues like voltage fluctuations by undertaking sub-transmission strengthening and separating the electrical network through feeder separation. This allows for dedicated lines for agricultural pumps and domestic households, ensuring that rural homes receive stable power while agricultural consumers get adequate and reliable supply.

35. (B) 25%
Dry farming areas represent a significant portion of India's agricultural landscape, covering regions that rely primarily on rainfall for crop production. These areas constitute approximately twenty-five percent of the total gross cropped area in the country. Managing water resources and soil moisture in these zones is critical for ensuring national food security and supporting the livelihoods of millions of farmers.

36. (A) Deposits placed by commercial banks based on their shortfalls in agriculture lending priority sector targets.
The Rural Infrastructure Development Fund is financed through deposits placed by commercial banks. These deposits are mandated when banks fail to meet their stipulated priority sector lending targets for agriculture. By channeling these shortfalls into the fund, the government ensures that resources intended for the rural sector are still utilized for rural development projects through NABARD, despite the bank's initial lending failure.

37. (A) Hill Areas Development Program (HADP) - Focuses on regions that constitute about 50% of the total area of the country.
Area Development Programs target specific geographic challenges. While programs like the Drought Prone Areas Program and Desert Development Program focus on ecological restoration, the Hill Areas Development Program is tailored for hilly regions. The claim that HADP focuses on fifty percent of the total area of the country is incorrect; these specialized programs target much smaller, ecologically fragile, and historically disadvantaged zones.

38. (D) Completely privatizing all river development projects to foreign multi-national corporations.
The National Water Policy of 2012 emphasizes the conservation, management, and development of water as a national resource. It proposes a unified national perspective for laws and institutions while promoting the conjunctive use of surface and ground water. However, the policy does not support the complete privatization of river development projects to foreign corporations, as water is considered a public good.

39. (A) (I), (II), (III), and (IV)
The Deendayal Upadhyaya Gram Jyoti Yojana includes specific provisions for rural electrification through grants. Non-special states receive sixty percent of the project cost as a grant, while special category states receive eighty-five percent. Additional grants are available upon reaching milestones, and the scheme provides free connections to BPL households. However, it does not target the electrification of urban commercial complexes for its objectives.

40. (D) Shyama Prasad Mukherji Rurban Mission (SPMRM)
The Shyama Prasad Mukherji Rurban Mission is designed to develop clusters of contiguous villages that exhibit potential for growth. In the scenario described, providing urban amenities like LPG, digital literacy, and street lights to a group of coastal villages with thirty-five thousand people aligns perfectly with this mission. It aims to create modern infrastructure while preserving the unique rural character of the area.

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89. (B) Policies intended for demand management to balance aggregate demand and supply.
In the context of the 1991 economic reforms, macro-economic stabilization refers to a set of policies designed for effective demand management. The primary goal was to achieve a better balance between aggregate demand and supply to curb high inflation and stabilize the economy. These policies were essential for restoring fiscal health and addressing the acute balance of payments crisis facing the country.

90. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Under the RIDF framework, state governments are legally required to pay interest on time. Failure to do so results in a liability for overdue interest, which is charged at the same rate as the principal. This mechanism is designed to enforce financial discipline and protect the fund's corpus. Both statements are true, and the reason correctly explains the purpose and implementation of this penalty.

91. (A) Banks became extremely cautious with fresh loans and very vigilant in credit appraisal.
The existence of large non-performing assets significantly impacted the lending behavior of commercial banks in the mid-1990s. As a result, banks became extremely cautious when issuing fresh loans and began exercising high vigilance in their credit appraisal processes. This behavioral change was a necessary response to the introduction of stricter prudential norms and the need to improve overall asset quality.

92. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Between 1990 and 1996, the share of public investment in the agricultural sector declined despite an increase in total investment. This occurred because resources were diverted from capital formation toward current expenditures, primarily in the form of higher subsidies for food and agricultural inputs. Both the assertion and the reason are true, and the reason accurately explains the shift in public resource allocation.

93. (C) It was expected to reduce supervisory functions, containing the growth of administrative expenditure.
The deregulation of industry and trade in 1991 was conceptually expected to impact the government's fiscal position by reducing its direct supervisory functions. By liberalizing these sectors, the government could decrease the number of regulatory and administrative staff required for oversight. This reduction in supervisory roles was a key strategy intended to contain the growth of non-developmental administrative expenditure during the reform period.

94. (C) The Credit Guarantee Fund Scheme for FPCs provides collateral-free credit with a fixed corpus of ₹ 50,000 crores.
The government has established several funds to support agricultural infrastructure and marketing, including the Micro Irrigation Fund and the Agricultural Infrastructure Fund with its one lakh crore corpus. While a Credit Guarantee Fund exists to support Farmer Producer Companies by providing collateral-free credit, the claim that it has a fixed corpus of fifty thousand crore is incorrect, as its actual size is much smaller.

95. (B) The increase was reduced to 30%, and small and marginal farmers were exempted altogether.
Following the 1991 reforms, the government adjusted fertilizer prices as part of subsidy rationalization. While an initial forty percent increase was proposed, it was later reduced to thirty percent. Crucially, to protect vulnerable segments of the farming community, small and marginal farmers were completely exempted from this price hike. This ensured that the cost of production for smaller farms remained manageable despite broader fiscal adjustments.

96. (A) P-4, Q-2, R-1, S-3
The government has established various funds and targets to bolster the agricultural sector. The credit flow target for 2020-21 was fifteen lakh crore, while the Agricultural Infrastructure Fund has a corpus of one lakh crore. The Micro Irrigation Fund is allocated five thousand crore, and the Agri-marketing Fund provides two thousand crore to strengthen electronic markets and rural agricultural market infrastructure.

of agriculturists.
(C) Agricultural produces cover about 80% of the consumption basket of Indian consumers.
(D) Indian agriculture output should rise at the rate of 5% per annum to remain self-reliant.

May/June 2025

28. Match the rural development approaches in List I with their corresponding flagship programs in List II.
List I: (Approach)
P. Growth-oriented Approach
Q. Target Group Approach
R. Area Development Approach
S. Welfare Approach
List II: (Program)
1. Small Farmers Development Agency (SFDA)
2. Minimum Needs Program
3. Drought Prone Area Program (DPAP)
4. Intensive Agriculture District Program (IADP)
(A) P-4, Q-1, R-3, S-2
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-2, R-4, S-1
(D) P-4, Q-3, R-1, S-2

Oct/Nov 2019

29. Which of the following statements correctly identifies the primary objective of the Paramparagat Krishi Vikas Yojana?
(A) To provide financial support to farmers suffering crop loss due to unforeseen and natural events.
(B) To create an e-marketing platform at the national level for various types of agricultural produce.
(C) To promote organic cultivation in India and boost farmers' income through premium prices.
(D) To manage the central pool of food grains through the development of large-scale warehousing.

May/June 2009

30. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The land surface actually under forests in India is approximately 23%, falling short of the required target.
Reason (R): The National Forest Policy of 1952 laid down a target of 33% of the country's land surface to be under forests.
(A) Both (A) and (R) are true, and (R) is the correct explanation of (A).
(B) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
(C) (A) is true, but (R) is false.
(D) (A) is false, but (R) is true.

Oct/Nov 2024

31. Consider the following statements highlighting the necessity for rural development:
I The service sector in rural areas is highly developed and dominates the economy.
II Agricultural growth rates have historically been uniform across all crops and regions.
III Agro-based industries in rural areas have not developed optimally due to a lack of infrastructure and technology.
IV The rural non-farm sector remains largely underdeveloped.
V Traditional industries like handloom and khadi are highly capable of competing with heavy industrial products.
Which of the above statement(s) is/are correct?
(A) (I) and (II)
(B) (III) and (IV)
(C) (II), (III), and (V)
(D) (I), (IV), and (V)

May/June 2018

32. According to the Human Development Report of 1995, the four essential components of the human development paradigm include all of the following, EXCEPT:
(A) Productivity
(B) Profit maximization
(C) Equity
(D) Sustainability

Oct/Nov 2013

33. Why has the dominance of moneylenders not diminished entirely despite steps taken to provide credit through the organized sector?
(A) Because organized sector credit is exclusively reserved for urban industrial entrepreneurs and corporate entities.
(B) Because rural people were traditionally dependent on moneylenders who created systemic debt traps.
(C) Because moneylenders offer loans at a 0%

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105. (C) To promote agro-forestry and bamboo plantation on non-forest land for additional income.
The amendment of the Indian Forest Act to remove bamboo from the definition of trees was a strategic policy change. This removal allows for the unregulated felling and transit of bamboo grown on non-forest land. The primary objective is to promote agro-forestry and encourage farmers to plant bamboo as a commercial crop, thereby providing them with an additional source of sustainable income.

106. (B) (I), (II), (III), (IV), and (V)
The 1991 Trade and Capital Flows Reforms included several key measures to liberalize the Indian economy. These involved adjusting the value of the rupee downward and liberalizing the import regime by lowering customs tariffs. Many items were decanalized, and automatic clearance was provided for capital goods imports funded by foreign equity. All these measures were instrumental in opening the economy to international markets.

107. (A) The Small Farmers' Agribusiness Consortium (SFAC) acts as the Lead Promoter of NAM.
The National Agriculture Market is an electronic trading portal designed to create a unified national market for agricultural commodities. It integrates existing APMCs to facilitate online trading and better price discovery. The Small Farmers' Agribusiness Consortium serves as the Lead Promoter of this initiative. By providing a digital platform, the scheme aims to reduce transaction costs and improve income for farmers nationwide.

108. (A) P-3, Q-4, R-1, S-2
Economic indicators shifted significantly during the 1991 crisis. The fiscal deficit, which was less than seven percent in the early seventies, surged to eleven percent by 1991. To stabilize the economy, the government reduced the Statutory Liquidity Ratio from its high of thirty-eight point five percent. Similarly, the Cash Reserve Ratio was lowered from fifteen percent to improve liquidity within the banking system.

109. (D) Three 4-monthly installments of ₹ 2,000 each.
The Pradhan Mantri Kisan Samman Nidhi provides direct income support to eligible farming households across the country. Under this scheme, farmers receive a total of six thousand rupees per year to help manage their agricultural and domestic expenses. This amount is disbursed directly into their bank accounts in three equal installments of two thousand rupees each, occurring every four months throughout the year.

110. (C) The Credit Information Bureau (India) Ltd. (CIBIL) was dismantled to protect borrower privacy.
The Narasimham Committee II report led to significant banking reforms, including tighter income recognition and asset classification norms. Banks were also subjected to asset-liability management practices and new capital adequacy requirements. Contrary to the idea of dismantling privacy measures, the Credit Information Bureau of India was actually established to provide reliable credit information, helping banks manage risks and reduce non-performing assets.

111. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The government expanded the Kisan Credit Card facility to include farmers involved in animal husbandry and fisheries to provide them with timely short-term credit. This extension includes benefits such as waived processing fees and higher collateral-free loan limits for allied activities. Both statements are factually correct, and the reason accurately explains the objective behind extending this financial tool to these specific sectors.

112. (B) Heavy reliance on lowering customs tariffs to zero during the 1980s.
The worsening balance of payments and high domestic inflation leading up to 1991 were caused by a large fiscal deficit and excessive government consumption expenditure. The deficit had reached eleven percent of the GDP by that year. However, the claim of heavy reliance on zero customs tariffs is incorrect, as tariffs were actually quite high before the liberalization reforms began that July.

NODIA

113. (D) It can close non-viable branches in urban areas, but not in rural and semi-urban areas.
Post-1991 banking reforms granted banks greater operational freedom while maintaining social obligations. Banks meeting capital adequacy and prudential norms were allowed to open new branches or close non-viable ones in urban areas without prior approval. However, this freedom was not extended to rural and semi-urban areas, where branch closure still requires individual approval to ensure continued financial access for these populations.

114. (B) It provides Credit Guarantee Cover to lenders so FPCs can receive collateral-free credit.
The new Credit Guarantee Fund Scheme is a key mechanism for supporting Farmer Producer Companies. It works by providing Credit Guarantee Cover to lending institutions. This cover reduces the risk for banks, enabling them to provide collateral-free credit to FPCs. This conceptual approach ensures that producer organizations have the necessary capital to invest in infrastructure and value addition without needing traditional collateral.

115. (D) To double agricultural credit in three years with 30 per cent growth for 2004-05.
In June 2004, the government announced a significant package of measures aimed at revitalizing agricultural credit. The primary objective was to double the flow of credit to the agricultural sector within a three-year period. This initiative targeted a thirty percent growth in credit disbursement for the 2004 to 2005 financial year, ensuring that farmers had access to timely and affordable finance.

116. (D) Minimum capital adequacy norms were fixed at 8% of risk-weighted assets per Basle Committee norms.
A critical financial sector reform implemented post-1991 was the introduction of standardized capital adequacy requirements. Following the recommendations of the Basle Committee, minimum capital adequacy norms for Indian banks were fixed at eight percent of their risk-weighted assets. This measure was designed to ensure that banks maintained a sufficient capital cushion to absorb potential losses and improve their overall financial stability.

117. (C) National Urban Livelihoods Mission (NULM).
The government has launched several interventions to achieve the goal of doubling farmers' income, including the PM-AASHA scheme and the "Per Drop More Crop" initiative. It also focuses on horticulture and honey production through dedicated missions. However, the National Urban Livelihoods Mission is not among these interventions, as it is specifically designed to address poverty and employment issues in urban areas.

118. (D) They were given freedom to open new branches and close non-viable urban branches.
Based on the Narasimham Committee recommendations, the policy regarding branch expansion was liberalized for healthy banks. Banks that met stipulated capital adequacy and prudential norms were granted the freedom to open new branches. Additionally, they were permitted to close non-viable branches in urban areas without individual approval. This shift allowed banks to optimize their branch networks based on commercial viability and efficiency.

119. (B) 4%
Under the Interest Subvention Scheme, the government provides short-term crop loans to farmers at a subsidized interest rate. While the standard rate is seven percent, an additional three percent subvention is provided to farmers who repay their loans promptly. For these diligent borrowers, the effective interest rate is reduced to four percent, incentivizing timely repayment and easing the financial burden on farmers.

120. (A) Growth was attributed to enhanced infrastructure support and relaxed export control measures.
Post-economic reforms, agricultural exports experienced significant growth due to enhanced infrastructure support and the relaxation of various export control measures. The government aimed to capitalize on global trade opportunities by reducing domestic restrictions. This growth was not hindered by international agreements like the Uruguay Round; instead, the liberalization of trade policies allowed Indian agricultural products to reach diverse international markets more effectively.

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121. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The Union Budget set the agricultural credit target for the 2022 financial year at sixteen point five lakh crore. This increase was intended to maintain the momentum of lending to farmers, as the previous year's disbursement of fifteen point six lakh crore had already exceeded the set target of fifteen lakh crore. Both statements correctly reflect the government's strategy for agricultural financing.

122. (C) Establishing Farm Machinery Bank & Hi-tech hubs.
To address the constraints of low individual land holdings and the high cost of precision equipment, the government promotes custom hiring services. This strategy involves establishing Farm Machinery Banks and Hi-tech hubs at the local level. These centers allow farmers to rent advanced machinery on a hire basis, ensuring they can benefit from modernization and improved farm power without the need for large capital investments.

123. (A) P-4, Q-2, R-1, S-3
Agricultural development is monitored through several key indicators and financial targets. For the 2021 financial year, agricultural and allied exports reached forty-one point three billion dollars. Minimum support prices were fixed at one hundred fifty percent of production costs. Farm power availability is expected to reach four kilowatts per hectare by 2022, while the credit target for the 2019-20 period was thirteen point five lakh crore.

124. (A) Re-introducing strict capacity caps and licensing for rural micro-enterprises under the MRTP Act.
Recent agricultural reforms have focused on liberalization, such as establishing Gramin Agriculture Markets and promoting ten thousand Farmer Producer Organizations. Passing the Farmers Produce Trade and Commerce Ordinance further facilitated trade. In contrast, re-introducing capacity caps and licensing under the Monopolies and Restrictive Trade Practices Act is an exception that contradicts the modern trend of deregulation and industrial freedom.

125. (B) Market Intervention Scheme (MIS).
The Market Intervention Scheme is a specific mechanism used to protect horticultural and perishable commodity growers during periods of bumper production. When market prices fall below the cost of production and economic levels, the government can intervene by procuring the produce at fixed prices. This protects farmers from distress sales and ensures they receive a remunerative return for their products during market gluts.

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Oct/Nov 2012

13. Which of the following statements is incorrect regarding Soil Health Management (SHM) under the NMSA?
(A) It encourages the exclusive use of bio-fertilizers, effectively banning all chemical fertilizers.
(B) It aims at promoting Integrated Nutrient Management (INM) to enhance soil fertility levels.
(C) It involves the strengthening of soil and fertilizer testing facilities across the country.
(D) It includes the upgradation of skills and knowledge of the staff working in soil testing laboratories.

May/June 2019

14. Proper management of land has not been paid adequate attention in most parts of the country. What is the extent of the area damaged by water and wind erosion out of the total 301-million-hectare area?
(A) 50-million-hectare area
(B) 75-million-hectare area
(C) 100-million-hectare area
(D) 150-million-hectare area

Oct/Nov 2009

15. What is the most appropriate reason explaining the massive poverty prevailing in rural areas?
(A) The high technological adoption rate that replaces manual labour
(B) The excessive export of agricultural commodities to foreign markets
(C) The over-reliance on the organized banking sector for credit
(D) The lack of assets owned by rural poor and their low productivity

May/June 2024

16. The components of rural development encompass various developmental metrics designed to improve rural conditions. Which of the following is NOT considered a primary component of rural development?
(A) Centralization of urban administrative structures
(B) Increase in the income of the poor
(C) Generation of employment opportunities particularly for the poor
(D) Provision of basic amenities and infrastructural facilities

Oct/Nov 2016

17. Which of the following pairs of a scheme and its primary focus is correctly matched?
(A) PMKSY - Achieving convergence of investments in irrigation at the field level
(B) NMSA - Establishing an e-marketing platform for various agricultural markets
(C) PMFBY - Nationwide promotion of organic farming across designated clusters
(D) eNAM - Providing financial support for crop damage due to unforeseen events

May/June 2006

18. Consider the following statements regarding the Integrated Rural Development Approach:
I It combined the positive features of the community, growth-oriented, and target group approaches.
II It addressed economic, commercial, organizational, technological, and political bases of rural poverty.
III It required the integration of economic activities exclusively in the primary sector.
Which of the above statement(s) is/are correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

Oct/Nov 2022

19. Consider the following statements regarding the architecture of the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY):
I It adopts a highly centralized State-level planning structure managed entirely by the Central Government.
II It operates as a convergence platform for all water sector activities, including drinking water, sanitation, and MGNREGA.
Which of the statements given above is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2012

20. Which of the following represents the most appropriate reason for the ongoing change in the habitats of species, leading to the disappearance of certain ecosystems in India?
(A) The pressure of increasing human

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as representing the entire gamut of change by which a social system moves away from a state of life perceived as unsatisfactory towards a materially and spiritually better condition of life?
(A) Robert Chambers' definition
(B) Katar Singh's definition
(C) World Bank's definition
(D) National Commission on Agriculture's definition

May/June 2023

8. Match the environmental programs in List I with their specific mandates in List II.
List I: (Program)
P. Pollution control
Q. Environmental Impact Assessment
R. Ecological regulation programs
S. National Mission for Sustainable Agriculture
List II: (Mandate)
1. Restoring already degraded ecosystems via afforestation
2. Tackling issues through the Central Board by assessing and strengthening R&D
3. Making agriculture productive, sustainable, and climate resilient
4. Setting up technical cells in socio-economic ministries for project evaluation
(A) P-1, Q-2, R-4, S-3
(B) P-2, Q-4, R-1, S-3
(C) P-3, Q-1, R-2, S-4
(D) P-4, Q-3, R-1, S-2

Oct/Nov 2005

9. Consider the following statements regarding the eNAM platform:
I It provides an electronic portal to enable e-marketing for agricultural produce.
II It aims to guarantee better price discovery and transparency.
III It functions to fragment the market to benefit local money lenders.
IV It facilitates cultivators in getting improved remuneration moving towards 'One Nation One market'.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III)
(B) (I), (II), and (IV)
(C) (II), (III), and (IV)
(D) (I), (III), and (IV)

May/June 2007

10. Arrange the following rural development approaches in the chronological order of their introduction in India:
I Target Group Approach
II Community Approach
III Integrated Rural Development Approach
IV Growth-oriented Approach
(A) (II), (IV), (I), (III)
(B) (IV), (II), (III), (I)
(C) (II), (I), (IV), (III)
(D) (I), (II), (IV), (III)

Oct/Nov 2020

11. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Government intervention is necessary for strengthening the bargaining power of rural producers.
Reason (R): Most rural entrepreneurs are small and unorganized, leading to their exploitation in raw material processing and marketing.
(A) Both (A) and (R) are true, and (R) is the correct explanation of (A).
(B) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
(C) (A) is true, but (R) is false.
(D) (A) is false, but (R) is true.

May/June 2015

12. Which of the following statements accurately reflects the rationale behind the introduction of the Target Group Approach in the 1970s?
(A) It was introduced because the welfare approach depleted government resources without achieving any significant measurable gains in infrastructure.
(B) It was introduced because the area development approach failed to reduce inter-regional disparities or promote local resource utilization.
(C) It aimed to address the persistent problems of poverty and unemployment that growth-oriented models failed to tackle.
(D) It was introduced to replace the community development programs that were too narrowly focused on agriculture and basic irrigation.

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CHAPTER 07
Issues Concerning Rural Areas

Oct/Nov 2023

1. Which of the following statements is incorrect regarding the Welfare Approach to rural development?
(A) It involved programs like the Minimum Needs Program to provide basic social consumption.
(B) It focused on providing basic public services such as health and education to the rural people.
(C) It included the implementation of the Applied Nutrition Program to improve the dietary standards.
(D) It was entirely self-sustaining and required minimal financial support from the central government.

May/June 2011

2. What is the fundamental mechanism through which the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) intends to reduce wastage of water on farms?
(A) By replacing all traditional agricultural crops with drought-resistant and climate-resilient varieties.
(B) By mandating the use of specific imported fertilizers across all new and existing irrigation projects.
(C) By improving on-farm water use efficiency and enhancing the adoption of precision-irrigation.
(D) By transferring the ownership of all rural water bodies to large-scale private agribusinesses.

Oct/Nov 2014

3. In which year was the Community Development Program (CDP), designed to secure the total development of material and human resources in rural areas, officially launched in India?
(A) 1947
(B) 1950
(C) 1952
(D) 1965

May/June 2005

4. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Over six decades of planning, coverage of irrigation in India is slightly over one-third of the gross cropped area.
Reason (R): Fluctuation in rainfalls severely affects agricultural production and leads to fluctuations in the income of farmers.
(A) Both (A) and (R) are true, and (R) is the correct explanation of (A).
(B) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
(C) (A) is true, but (R) is false.
(D) (A) is false, but (R) is true.

Oct/Nov 2018

5. Ecological imbalance in rural areas is caused by multiple factors resulting from development. Which of the following is NOT identified as a primary cause of ecological imbalance in the context of rural development?
(A) Land and water mismanagement
(B) Expansion of rural micro-credit facilities
(C) Deforestation
(D) Destruction of other natural living resources

May/June 2016

6. How is the phenomenon of large scale unemployment in the agricultural sector primarily characterized?
(A) Frictional unemployment resulting from temporary job switching
(B) Disguised unemployment where the workforce exceeds actual needs
(C) Structural unemployment caused by significant technological shifts
(D) Cyclical unemployment driven by a downturn in the global recession

Oct/Nov 2025

7. Which of the following definitions best encapsulates the process of rural development

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population and other developmental activities
(B) The implementation of the Environmental Impact Assessment protocols
(C) The natural evolutionary life cycle of marine ecosystems
(D) The strict enforcement of ecological regulation programs

Oct/Nov 2011

21. The necessity for rural development is underscored by poor basic infrastructure. This encompasses all of the following inadequate facilities, EXCEPT:
(A) Drinking water and electricity supply
(B) Transport and communication networks
(C) High-frequency electronic trading terminals
(D) Primary schools and specialized hospitals

May/June 2020

22. Consider the following statements regarding the Area Development Approach:
I It was introduced to address the development of specific backward areas in the 1970s.
II It proved largely unsuccessful in reducing inter-regional disparities.
Which of the statements given above is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2017

23. How did the World Commission on Environment and Development (Brundtland Commission) define sustainable development?
(A) Development that maximizes current economic growth by utilizing only non-renewable natural resources.
(B) Development that prioritizes ecological balance and environmental stability over human capital accumulation.
(C) Development that focuses exclusively on preserving natural resources for future industrial and commercial use.
(D) Development that meets present needs without compromising the ability of future generations to meet their own.

May/June 2013

24. Consider the following statements regarding the Pradhan Mantri Fasal Bima Yojana (PMFBY):
I It was launched from Kharif 2016 to mitigate risk in the agriculture sector.
II It stabilizes the income of farmers to ensure their continuance in farming.
III It explicitly discourages farmers from adopting innovative and modern agricultural practices.
Which of the above statement(s) is/are correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

Oct/Nov 2010

25. The National Mission for Sustainable Agriculture (NMSA) aims to make agriculture more productive and climate-resilient. Which of the following is NOT one of its specific features?
(A) Promoting location-specific integrated/ composite farming systems
(B) Replacing all organic fertilizers with chemical fertilizers globally
(C) Comprehensive soil health management
(D) Efficient water management practices

May/June 2014

26. The Growth-oriented Approach to rural development adopted during the Second Plan period relied heavily on a specific economic expectation. What was this primary expectation regarding the benefits of increased production?
(A) The benefits would primarily support urban industrialization.
(B) The benefits would immediately eliminate rural indebtedness.
(C) The benefits would be evenly distributed through direct cash transfers.
(D) The benefits would gradually 'trickle down' to the poor.

Oct/Nov 2007

27. Which of the following statements is incorrect regarding the backwardness of Indian agriculture?
(A) The productivity per hectare is exceptionally high in comparison with developed countries.
(B) The agricultural growth rate was not high enough to significantly increase the income

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97. (A) (I), (II), and (III)
Macroeconomic stabilization policies introduced in 1991 focused on demand management and fiscal discipline. Key components included balancing aggregate demand and supply, minimizing tax system distortions, and improving the efficiency of public enterprises. However, the policies did not aim to increase the fiscal deficit; rather, they were specifically designed to reduce the deficit from its eleven percent level to restore stability.

98. (A) Shift from non-farm occupations back to purely traditional farming.
The strategy to double farmers' income identifies seven specific sources of growth. These include improving productivity in crops and livestock, increasing resource use efficiency, and diversifying toward high-value crops. It also emphasizes the importance of non-farm occupations for additional income. A shift back to purely traditional farming is not among the identified sources, as the goal is modernization and value enhancement.

99. (B) ₹ 1.60 lakh
To support diversification in agriculture, the government extended the Kisan Credit Card facility to farmers involved in animal husbandry and fisheries. As part of this initiative, the limit for collateral-free loans under KCC was specifically raised. For these farmers, the new collateral-free limit is one point six lakh rupees, facilitating easier access to timely and adequate short-term credit for their operational needs.

100. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
The rural economy depends heavily on agriculture, meaning macroeconomic and financial sector reforms impacted it primarily through indirect channels during the 1991 crisis. While no specific direct reform package was initially announced for the agricultural sector itself, both statements are factually accurate. However, the structural dependency mentioned does not fully serve as the causal explanation for the policy choice.

101. (A) Up to six months
To prevent distress sales post-harvest, small farmers can store their produce in warehouses against negotiable receipts. Under the Interest Subvention Scheme, these farmers can continue to receive the benefit of interest subvention for a limited period. This support is available for up to six months post-harvest at the same rate as the crop loan, providing the necessary liquidity to wait for better prices.

102. (A) Interest rates on advances of all Co-operative banks and Regional Rural Banks were strictly capped by the RBI.
Financial sector reforms led to a significant deregulation of interest rates to allow market forces to determine the cost of credit. The number of administered interest rates was drastically reduced, and rates on bank loans above two lakhs were fully deregulated. The claim that interest rates for Co-operative and Regional Rural Banks were strictly capped is incorrect, as these rates were also deregulated.

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103. (A) P-3, Q-2, R-4, S-1
Several initiatives provide financial and technical support to farmers across India. PM-KISAN offers annual income support of six thousand rupees, while PM-KMY provides a fixed pension for elderly farmers. The PMFBY offers insurance cover across all crop stages with low premiums. Finally, PKVY is a dedicated scheme for promoting organic farming, helping farmers transition to sustainable and chemical-free agricultural practices.

104. (D) Diverting resources to subsidies slows growth; increasing public investment catalyzes private investment.
There is a complementary relationship between public and private investment in agriculture. Research indicates that diverting resources to subsidies often slows growth, whereas increasing public investment in infrastructure and technology acts as a catalyst for private investment. When the government invests in irrigation and roads, it creates a more favorable environment that encourages farmers and private enterprises to invest further.

interest rate and require no collateral from the borrowers.
(D) Because the government officially appointed moneylenders as the primary agents of various APMC markets.

May/June 2011

34. A rural development program initiated by a central ministry suffers from severe funds leakage and dismal performance at the village level. Based on organizational design principles for rural development, what is the most appropriate corrective action?
(A) Increasing the number of bureaucratic layers within the central ministry structure.
(B) Abandoning the project and redistributing funds to urban municipal corporations.
(C) Centralizing the monitoring process to a single national office for strict oversight.
(D) Shifting control to decentralized local institutions like Panchayats and Self-Help Groups.

Oct/Nov 2023

35. What is the most appropriate measure required to address the low skill level of the preponderance of small farmers and landless labourers?
(A) By implementing measures to raise their knowledge and skills to improve human capital.
(B) By importing a highly skilled workforce from urban centres to manage the rural farms.
(C) By eliminating manual labor entirely through the adoption of heavy farm mechanization.
(D) By discontinuing all agricultural subsidies to encourage competitive market practices.

May/June 2022

36. The objectives of rural marketing encompass all of the following, EXCEPT:
(A) Maximizing the price spread between primary producers and ultimate consumers
(B) Giving the best possible benefit for primary producers such as farmers
(C) Making available all rural products in the desired form and quality at reasonable prices
(D) Providing adequate measures for product distribution

Oct/Nov 2015

37. Consider the following statements regarding traditional farming techniques:
I Modern techniques of production are uniformly adopted across all regions of the country.
II Large areas of the country continue to use traditional methods of production.
Which of the statements given above is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2005

38. To fund large-scale agro-processing units, a rural planning committee secures low-cost loans from an international organization. For this foreign aid to be effective in rural development, what condition must be met according to planning principles?
(A) The aid must be utilized exclusively for the development of urban industrial infrastructure.
(B) The aid should be distributed as direct cash handouts to bypass the need for investment.
(C) The foreign aid must be used to replace all domestic savings in the national accounts.
(D) The planning of grants and low-cost loans should be as rigorous as domestic funds.

Oct/Nov 2021

39. Consider the following statements regarding the essential ingredients of a model of sustainable development:
I Recognizing the complementarity of economic development and sound environmental management.
II Planning and providing for the basic needs of the poor.
III Promoting accelerated industrialization without regard for urbanization issues.
IV Dovetailing development planning with population control measures.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III)
(B) (I), (II), and (IV)
(C) (II), (III), and (IV)
(D) (I), (III), and (IV)

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(A) Because industrial products rely on biological growth cycles.
(B) Because agricultural products are manufactured continuously in factories.
(C) Because each farm product is tied to a particular season of production.
(D) Because the demand for industrial products is highly seasonal.

Oct/Nov 2013

68. By 2016, the GOI launched the eNAM portal. With how many markets is the eNAM platform currently linked?
(A) 286 markets
(B) 500 markets
(C) 1000 markets
(D) 2477 markets

May/June 2019

69. Consider the following statements regarding Grading and Standardization:
I The 'Agricultural Produce (Grading and marketing) Act' empowers the Central Government to prescribe grade standards.
II The Directorate of Marketing and Inspection (DMI) prepares these grade standards.
III Graded agriculture products bear the AGMARK label.
IV Grading promotes only the export of agricultural commodities, explicitly ignoring domestic consumption.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (IV)
(B) (I), (II), and (III)
(C) (II), (III), and (IV)
(D) (I), (III), and (IV)

Oct/Nov 2006

70. Match the type of markets in List I with their distinguishing features in List II.
List I: (Market Type)
P. Village Markets
Q. Rural Primary Markets
R. Regulated Markets
S. Electronic Spot Markets
List II: (Feature)
1. Managed by Agricultural Produce Market Committees (APMCs)
2. Periodical markets known as haats, shandies, and fairs
3. Allow online trading outside APMCs and across state boundaries
4. Cultivator sells produce to small local dealers or money lenders
(A) P-1, Q-3, R-2, S-4
(B) P-2, Q-1, R-4, S-3
(C) P-4, Q-2, R-1, S-3
(D) P-3, Q-4, R-1, S-2

May/June 2014

71. The emerging issues and challenges in rural marketing involve several critical areas. Which of the following is NOT identified as a primary challenge in this context?
(A) Phasing out all forms of market intelligence to rely purely on local middleman rumors
(B) Improving cost-effective post-harvest technology and market yards
(C) Ensuring market competitiveness through group marketing and cooperatives
(D) Promoting value addition via agro-processing industries at the village level

Oct/Nov 2021

72. Consider the following statements regarding the role of middle men in the agricultural marketing system:
I The 'kachcha' arhatiyas act on behalf of outstation buyers as well as on their own.
II The 'pucca' arhatiyas are primarily concerned with assembling of the produce.
III A dalal or a broker brings together the sellers and buyers but has no establishment of his own.
Which of the above statement(s) is/are correct?
(A) (I) and (II)
(B) Only (III)
(C) (II) and (III)
(D) (I), (II), and (III)

May/June 2025

73. In certain states, direct interactions of producers with consumers in fresh produce are promoted through farmers' markets. Which of the following is NOT one of these specialized markets?
(A) Apni Mandis in Punjab
(B) Rythu Bazaars in Andhra Pradesh
(C) Uzhavar Santhai in Tamil Nadu
(D) eNAM GrAMs in New York

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Oct/Nov 2014

46. Which of the following is the most appropriate action required to address the inadequate support services for agriculture?
(A) Complete privatization of all agricultural lands
(B) Augmentation of marketing infrastructure and specialized storage facilities
(C) Restriction of agricultural exports to stabilize domestic prices
(D) Elimination of all transport subsidies for agricultural produce

May/June 2021

47. Consider the following key areas under the facilitation component of rural development management:
I Empowerment of people
II Leadership development
III Agriculture markets
IV Banking network
V Centralized industrial manufacturing
Which of the above statement(s) is/are correct?
(A) (I), (II), III), and (IV)
(B) (I), (III), (IV), and (V)
(C) (II), (III), and (IV), and (V)
(D) (I), (II), (IV), and (V)

Oct/Nov 2016

48. In a rural district, a significant portion of the workforce is classified as landless labourers who experience seasonal employment. They lack asset ownership and rely on outdated agricultural tools. Based on these characteristics, which core issue of rural development is most evidently manifested here?
(A) Fast depletion of green cover
(B) Massive poverty and backwardness
(C) Urban-oriented industrial growth
(D) Excessive market intelligence

May/June 2017

49. Match the components of facilitation in rural management in List I with their key areas requiring facilitation in List II.
List I: (Component)
P. Human Resource Development
Q. Infrastructure
R. Social infrastructure
S. Policy
List II: (Area)
1. Drinking water and educational facilities
2. Policy support and control
3. Power, roads, transport, and banking network
4. Empowerment of people, leadership development, and skill training
(A) P-4, Q-3, R-1, S-2
(B) P-1, Q-2, R-4, S-3
(C) P-3, Q-1, R-2, S-4
(D) P-2, Q-4, R-3, S-1

Oct/Nov 2025

50. A local government body observes that small artisans in a rural block are unable to adopt modern practices due to a lack of relevant tools that fit their geographical constraints. The most appropriate developmental measure to resolve this is:
(A) Forcing artisans to relocate to urban industrial hubs
(B) Importing highly complex machinery from abroad
(C) Designing technologies which are appropriate to local conditions
(D) Focusing solely on improving natural resources

May/June 2007

51. Consider the following statements regarding the characteristics of agricultural produce:
I Farm products are highly non-perishable compared to industrial products.
II Each farm product has a particular season of production causing supply fluctuations.
III Most farm products are bulky, making transportation and storage difficult.
IV There is considerable variation in the quality of agricultural products.
V Agricultural produce has high price elasticity of demand.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III)
(B) (II), (III), and (IV)
(C) (III), (IV), and (V)
(D) (I), (IV), and (V)

Oct/Nov 2010

52. Which of the following statements is incorrect regarding Rural-Urban linkages?
(A) Rural and urban areas play a complimentary role in overall economic development.
(B) Improvement of rural areas is important for supplying raw materials to the industry.

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P. Lack of Market Intelligence
Q. Malpractices
R. Absence of Grading
S. Capacity Building Deficit

List II: (Description)

1. Arbitrary reduction on charges such as 'zakat' and 'dharmada'
2. Producers are exploited due to the lack of standardization facilities
3. Handicaps such as lack of requisite infrastructure and unhealthy controls
4. The farmer relies mostly on information supplied by the middleman

(A) P-1, Q-4, R-3, S-2
(B) P-2, Q-3, R-1, S-4
(C) P-3, Q-2, R-4, S-1
(D) P-4, Q-1, R-2, S-3

May/June 2020

81. Which of the following statements is incorrect concerning the WTO Negotiations and the Indian Agriculture Sector?

(A) Developing countries may provide price support if stocks support low-income producers.
(B) Total domestic agricultural subsidies should not exceed 10% of total agricultural output.
(C) A global consensus was reached in 2015 to permanently remove the subsidy threshold.
(D) India proposed to exempt food security programs from the 10% threshold in the WTO.

Oct/Nov 2024

82. In the context of the agricultural marketing system, which of the following is the most appropriate description of Village Markets?

(A) They serve small cultivators who sell surplus to local dealers due to transport costs.
(B) They are heavily regulated by the APMC with state-of-the-art automated grading facilities.
(C) They are exclusively digital platforms where international futures trading activities occur.
(D) They are owned and managed by large-scale multinational agribusiness consortiums.

May/June 2010

83. Which of the following statements is correct regarding the 'Wide Price Spread' in agricultural marketing?

(A) Actual cultivators generally receive 90% of the final consumer price.
(B) Marketing costs account for exactly 53% of the consumer price of rice.
(C) Middlemen take a 0% share of the price in the case of vegetables and fruits.
(D) A long chain of middlemen drastically reduces the farmer's share of consumer price.

Oct/Nov 2005

84. Which of the following statements is correct regarding the storage facilities and food wastage in India?

(A) The highest losses during harvest and post-harvest processes are observed in food grains rather than fruits and vegetables.
(B) Poor packaging and transportation have no impact on food wastage.
(C) Central Warehousing Corporation (CWC) operates warehouses primarily to store food grains from the central pool.
(D) The storage capacity of CWC is exactly 50 lakh Metric tonnes.

May/June 2008

85. Consider the following provisions suggested by the Model APMC Act released by the central government in the year 2003:

I Facilitating the direct selling of produce through contract farming.
II Permitting private persons, farmers, and consumers to establish agricultural markets.
III Levying a multiple-tier market fee on the sale of the commodity across different districts.
IV Replacing licenses with registration of market agencies to operate in more than one market.

Which of the above statement(s) is/are correct?

(A) (I), (II), and (III)
(B) (I), (II), and (IV)
(C) (II), (III), and (IV)
(D) (I), (III), and (IV)

Oct/Nov 2014

86. Match the characteristics of agricultural produce in List I with their corresponding consequences in List II.

List I: (Characteristic)

P. Price Inelasticity
Q. Variation in Quality

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(D) The Trade Related Intellectual Property Rights regulatory framework.

Oct/Nov 2011

60. Match the developmental issues in List I with their corresponding management interventions in List II.

List I: (Issue)

P. Low per capita income of people
Q. Fast depletion of green cover
R. Soil and water erosion
S. Lack of access to credit by the poor

List II: (Intervention)

1. Community watershed management
2. Promote Self Help Groups
3. Plan and organize for rural non-farm sector activities
4. Joint forest management

(A) P-1, Q-2, R-3, S-4
(B) P-3, Q-4, R-1, S-2
(C) P-4, Q-1, R-2, S-3
(D) P-2, Q-3, R-4, S-1

May/June 2008

61. It is estimated that a significant portion of the total marketable surplus in remote areas is sold through Rural Primary Markets (RPMs). What is this estimated percentage?

(A) 30%
(B) 50%
(C) 75%
(D) 90%

Oct/Nov 2020

62. A group of fruit farmers in Maharashtra wish to sell their produce directly to consumers to avoid intermediaries. Which state-promoted farmers' market initiative is specifically established for this purpose in their state?

(A) Shetkari Bazaar
(B) SAFAL F&V
(C) HOPCOMS
(D) Apni Mandis

May/June 2013

63. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): The estimation of agricultural supply is extremely simple and centralized.

Reason (R): Most of the agricultural products are produced by large numbers of farmers spread over the country.

(A) Both (A) and (R) are true, and (R) is the correct explanation of (A).
(B) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
(C) (A) is true, but (R) is false.
(D) (A) is false, but (R) is true.

Oct/Nov 2007

64. The introduction of the Negotiable Warehouse Receipt (NWR) system under the 2007 Act provides several advantages to farmers. Which of the following is NOT one of these advantages?

(A) Increased liquidity for the farmers
(B) Avoidance of distress sale of agricultural produce during peak marketing season
(C) Guaranteeing a fixed permanent price independent of market forces
(D) Better price risk management by farmers

May/June 2018

65. What is the most appropriate explanation for 'Distress Sale' by farmers?

(A) The farmer's inability to wait for better prices due to immediate debt obligations.
(B) The farmer's desire to export produce immediately to secure foreign exchange reserves.
(C) The lack of transportation leading farmers to destroy their crops in the local fields.
(D) The high storage capacity available which forces farmers to sell older stock rapidly.

Oct/Nov 2024

66. Which of the following statements is correct regarding Trade Related Intellectual Property Rights (TRIPS) in the context of agriculture?

(A) Western crop varieties are often drawn from the germ plasma of developing nations.
(B) The North is a gene-rich area and independent of the third world for germ plasma.
(C) TRIPS has no direct bearing on the question of ownership of global genetic resources.
(D) Genetic resources are declared as common property that cannot be privatized at all.

May/June 2015

67. Why do supply and price fluctuations occur commonly in agricultural products unlike in industrial products?

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May/June 2016

40. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): For economic growth, it is necessary that the supplies of the factors influencing production, such as capital stock, are increased.

Reason (R): An increase in capital stock means an increase in physical stock like machines and tools, which will raise the marginal productivity of labour.

(A) Both (A) and (R) are true, and (R) is the correct explanation of (A).
(B) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
(C) (A) is true, but (R) is false.
(D) (A) is false, but (R) is true.

Oct/Nov 2006

41. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): The extent of perishability in farm products like milk and vegetables forces farmers to quickly dispose of their produce.

Reason (R): Though perishability can be reduced by processing, agricultural products generally cannot be made as non-perishable as industrial products.

(A) Both (A) and (R) are true, and (R) is the correct explanation of (A).
(B) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
(C) (A) is true, but (R) is false.
(D) (A) is false, but (R) is true.

May/June 2008

42. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): There is a critical need to check the migration of the rural population to urban centres by undertaking development in rural areas.

Reason (R): A large part of the rural population migrates to urban areas mainly in search of jobs because work opportunities in rural areas are limited or negligible.

(A) Both (A) and (R) are true, and (R) is the correct explanation of (A).
(B) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
(C) (A) is true, but (R) is false.
(D) (A) is false, but (R) is true.

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Oct/Nov 2008

43. In the context of rural management, how is the boundary between rural development issues and rural management issues conceptually described?

(A) They are completely distinct and govern entirely different populations and geographies.
(B) The boundary is blurred; per capita income is a development issue, its planning is management.
(C) Rural development is solely a political issue, while management is an ecological concern.
(D) Rural management precedes rural development in all statutory and legal definitions.

Oct/Nov 2012

44. Consider the following statements regarding the role of the State in rural development:

I The State ensures the supply of adequate resources for the completion of projects.
II The State builds necessary institutions to facilitate development.
III The State abolishes all regulatory frameworks to allow markets absolute freedom.

Which of the above statement(s) is/are correct?

(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

May/June 2010

45. According to the foundational concepts of marketing, what does the term 'market' primarily refer to?

(A) Only a specific physical place where commodities are stored
(B) The government regulators overseeing trade
(C) Buyers and sellers who are in contact with one another
(D) The physical transportation networks connecting cities

Oct/Nov 2022

74. Which of the following statements is incorrect regarding inadequate storage facilities for agricultural produce?
(A) Farmers often find it unprofitable to hold back produce because of inadequate storage facilities.
(B) Damages from pests or dampness are a major risk in inadequate storage.
(C) According to official estimates, rodents consume 0% of the total produce due to perfect warehousing.
(D) Unofficial estimates put the loss from rodents at 25% of the total produce.

May/June 2006

75. Consider the following statements regarding GATT and Agricultural Marketing:
I The agreements on agriculture provide a framework towards increased market orientation.
II The package requires commitments in market access, domestic support, and export subsidies.
III A major drawback is the high levels of protection given by developed countries to their farmers.
IV India's agricultural subsidy reduction strictly applies as its value is above the 10% stipulated limit.
V India is exempted from providing minimum accessing of 3.5% to other nations due to its balance of payments position.
Which of the above statement(s) is/are correct?
(A) (I), (II), (III), and (V)
(B) (I), (III), (IV), and (V)
(C) (II), (III), (IV), and (V)
(D) (I), (II), (III), and (IV)

Oct/Nov 2017

76. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The price spread in agricultural products is generally higher compared to industrial goods.
Reason (R): Most farm products are bulky, resulting in higher costs for transportation and storage.
(A) Both (A) and (R) are true, and (R) is the correct explanation of (A).
(B) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
(C) (A) is true, but (R) is false.
(D) (A) is false, but (R) is true.

May/June 2022

77. Arrange the following events related to agricultural marketing and infrastructure in their chronological order:
I Passing of the Legal Metrology Act aimed at establishing standards of weights and measures.
II Launching of the National Agricultural Market (eNAM).
III Enactment of the Warehousing (Development and Regulation) Act introducing NWRs.
IV Release of the Model APMC Act.
(A) (IV), (III), (I), (II)
(B) (III), (IV), (II), (I)
(C) (I), (IV), (III), (II)
(D) (IV), (I), (III), (II)

Oct/Nov 2015

78. As per recent data compared to just 286 in 1950, approximately how many principal regulated markets based on geography exist currently?
(A) 1000
(B) 2477
(C) 4843
(D) 8500

May/June 2017

79. Which of the following statements is incorrect regarding the other marketing reform initiatives taken by the Government?
(A) The Essential Commodities Act has been amended to reduce the list of commodities from its purview.
(B) The Warehousing (Development and Regulation) Bill 2007 was rejected and never passed into law.
(C) The Forward Contract Regulation Act was considered for promoting futures trade.
(D) The Food Safety and Standards Authority has been undertaking enforcement based on surveillance and random sampling.

Oct/Nov 2019

80. Match the marketing deficiencies in List I with their descriptions in List II.
List I: (Deficiency)

NODIA

May/June 2007

93. A state government amends its agricultural laws to allow farmers to sell their produce online to buyers in different states, bypassing the physical mandi yards entirely. Which specific technological initiative manages this electronic portal under the auspices of the NAM project?
(A) National Dairy Development Board (NDDB)
(B) Food Corporation of India (FCI)
(C) Small Farmers' Agribusiness Consortium (SFAC)
(D) Commission for Agricultural Costs and Prices (CACP)

Oct/Nov 2023

94. Which of the following statements is incorrect regarding Monopoly Procurement?
(A) The Government reserves the right of purchase from the farmers.
(B) It is adopted only when other procurement methods fail to work.
(C) Private traders are allowed to buy and sell alongside the government.
(D) A classic example is the monopoly cotton procurement in Maharashtra.

May/June 2011

95. Which of the following statements provides the correct LaTeX formula for calculating the price index or price relatives for an individual product?
(A) $I_i = P_0 / P_1 \times 100$
(B) $I_i = P_1 / P_0 \times 100$
(C) $I_i = (P_1 - P_0) \times 100$
(D) $I_i = P_1 \times P_0 / 100$

Oct/Nov 2010

96. Which of the following statements is correct concerning the focus on targeted groups in the Public Distribution System (PDS)?
(A) The government aims to supply subsidized food grains universally to all urban residents.
(B) It is desirable to supply food grains only to target groups like BPL families.
(C) The switch to restrictive price measures requires the government to rely less on the market.
(D) The PDS targets exclusively the large-scale commercial farmers in prosperous regions.

May/June 2005

97. A farmer in a remote village has a substantial debt obligation to a local trader. As soon as his wheat crop is harvested, the market experiences a glut, driving prices down. Despite knowing prices will rise in two months, the farmer sells his entire crop to the trader at a loss. What specific agricultural marketing phenomenon is occurring here?
(A) E-Trading realization
(B) Pre-emptive Purchase
(C) Value Addition
(D) Distress Sale

Oct/Nov 2009

98. Consider the following factors taken into account by the CACP for determining the Minimum Support Price (MSP):
I Cost of production, including imputed value of family labour.
II Inter-crop price parity.
III Trends in market prices, demand, and supply.
IV Parity between prices paid and prices received by the farmers.
V The political affiliation of the ruling state government.
Which of the above statement(s) is/are correct?
(A) (I), (II), (III), and (IV)
(B) (II), (III), (IV), and (V)
(C) (I), (III), (IV), and (V)
(D) (I), (II), (IV), and (V)

May/June 2018

99. Under which procurement method is there NO compulsion for the farmers to sell to the Government, and the objective is solely to provide price support when market prices tend to fall?
(A) Levy System
(B) Price Support Operations
(C) Monopoly Procurement
(D) Pre-emptive Purchase

Oct/Nov 2025

100. Which of the following best defines an index number in the context of agricultural prices?
(A) The absolute monetary value of a single commodity at a current date.
(B) The total tonnage of food grains procured by the Food Corporation of India.
(C) The value of a variable at a point of time expressed as a percentage of its value at some base period.
(D) The statutory price mandated by the

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R. Processing Requirement
S. Bulkiness of Products

List II: (Consequence)

1. Makes transportation and storage difficult and expensive
2. Makes grading and standardization somewhat difficult
3. Results in processing firms enjoying a monopoly advantage
4. Arises because agricultural produce is necessary for human beings

(A) P-1, Q-3, R-2, S-4
(B) P-4, Q-2, R-3, S-1
(C) P-2, Q-4, R-1, S-3
(D) P-3, Q-1, R-4, S-2

May/June 2015

87. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): India's agricultural exports jumped significantly to 41.25 billion USD during 2020-21.

Reason (R): The Agriculture Export Policy (AEP) introduced unique product-district clusters for export promotion.

(A) Both (A) and (R) are true, and (R) is the correct explanation of (A).
(B) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
(C) (A) is true, but (R) is false.
(D) (A) is false, but (R) is true.

Oct/Nov 2018

88. How does the presence of 'kachcha' arhatiyas and 'pucca' arhatiyas primarily impact the cultivator in unregulated markets?

(A) It guarantees the highest possible export price for all agricultural produce.
(B) It leads to exploitation, as produce is sold at unremunerative rates to intermediaries.
(C) It facilitates direct international trade for the small and marginal farmers.
(D) It ensures 100% standardization of the produce through scientific grading.

May/June 2016

89. How does the concept of E-Trading or 'Virtual Market' primarily impact agricultural marketing?

(A) It eliminates the need for physical agricultural production and land management.
(B) It provides market width through Spot Exchanges, Futures, and ICT Information.
(C) It mandates that all farming be done in urban IT parks and digital environments.
(D) It restricts the geographical reach of a farmer to their immediate village boundaries.

Oct/Nov 2008

90. Consider the following statements regarding transportation cost in agricultural marketing:

I The transportation cost is estimated to be negligible, typically below 1%.
II High transportation costs, estimated at 3% to 15%, deter the farmer from taking the produce to larger markets.

Which of the statements given above is/are correct?

(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2021

91. Consider the following statements regarding the supply side issues of farm produce:

I The production period of agricultural produce cannot be shortened even if the demand increases.
II Biological characteristics of production involve an element of risk and uncertainty.

Which of the statements given above is/are correct?

(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2012

92. Which of the following pairs of pricing terms and its characteristic is correctly matched?

(A) Issue Prices - Generally higher than market prices
(B) Statutory Minimum Prices - Only an advisory guideline with no legal binding
(C) Procurement Prices - Adopted in times of shortages for public distribution
(D) Minimum Support Price - Declared strictly after the harvest season

NODIA

(C) Rural areas serve as major consumers for a wide range of industrial products.
(D) Rural and urban areas operate as entirely independent economic silos with no interdependence.

May/June 2012

53. Which of the following statements is incorrect regarding the development of natural resources as a measure for development?
(A) Soil and minerals are categorized as non-renewable resources.
(B) Water and plants' breed are categorized as renewable resources.
(C) The quality of land cannot be improved once it has been subjected to traditional farming.
(D) Complete knowledge of existing resources is necessary to step up efforts for development.

Oct/Nov 2005

54. Which of the following statements correctly identifies a key learning from the Indian experience in organizing for rural development?
(A) Government organizations proved to be the most responsive and efficient service systems.
(B) Participation of people was robust, resulting in high performance of all rural programs.
(C) Government systems became bureaucratic, showing a need for decentralized institutions.
(D) The ideal organizations would be centralized power systems located in the urban capitals.

May/June 2009

55. Which of the following pairs of a measure for development and its descriptor is incorrectly matched?
(A) Improving Human Capital - Exploring new non-renewable minerals
(B) Increase in Capital - Raising the marginal productivity of labour
(C) Upgrading Technology - Spurt in modern inputs via the green revolution
(D) Development of Natural Resources - Adopting land development measures

Oct/Nov 2009

56. Which of the following statements correctly explains the trend of urban-oriented development?
(A) Heavy industries have emerged in urban areas due to infrastructure and linkages.
(B) Most heavy industries have come up in rural areas due to the abundance of cheap land and labor.
(C) Urban-oriented development has successfully curbed the large-scale migration of the rural population.
(D) Forward and backward economic linkages are completely absent in the modern urban industrial centres.

May/June 2023

57. A block development officer observes that despite providing skill training (Human Resource Development) and building roads (Infrastructure), a rural employment initiative is failing because local rules prohibit small enterprises from operating from homes. Which component of facilitation is missing here?
(A) Policy support and control
(B) Agricultural markets
(C) Social infrastructure
(D) Banking network

Oct/Nov 2018

58. How did the green revolution fundamentally alter the landscape of technological improvement in agriculture?
(A) By marking a spurt in the use of modern inputs and improved farm machinery.
(B) By completely replacing agricultural labor with autonomous robotics and digital systems.
(C) By emphasizing the return to solely traditional farming practices to preserve soil health.
(D) By shifting the strategic focus exclusively to the growth of the rural non-farm sector.

May/June 2024

59. Which framework defines development as a process by which members of a society increase their personal and institutional capacities to mobilize and manage resources to produce sustainable and justly distributed improvements in quality of life?
(A) The provisions listed under the Agricultural Produce Market Committee Act.
(B) The protocols of the General Agreement on Tariffs and Trade.
(C) The concept of rural development viewed as a management process.

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government for all cash crops.

May/June 2023

101. Consider the following statements regarding the relevance of the Price Support Policy in the New Economic Environment:

I As the Indian economy gets increasingly linked to the world market, the role of minimum support prices becomes irrelevant.

II Beginning the 1991-92 crop season, the system of trying to mop up some pre-decided quantities was dispensed with.

III Prices in the international market are often more volatile than those in the domestic market, making farmer protection necessary.

Which of the above statement(s) is/are correct?

(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

Oct/Nov 2006

102. Following a severe drought, the market faces an acute shortage of wheat, threatening public food security. The government releases stored wheat to the public distribution system to stabilize prices and prevent hunger. What instrument of agricultural price policy is being utilized here?

(A) Buffer Stocks
(B) Virtual Markets
(C) Monopoly Procurement
(D) E-Trading

May/June 2024

103. Match the agricultural pricing mechanisms in List I with their defining features in List II.

List I: (Mechanism)

P. Minimum Support Price (MSP)
Q. Statutory Minimum Prices
R. Procurement Prices
S. Issue Prices

List II: (Feature)

1. Prices at which government provides specified commodities to consumers through PDS
2. Legally binding on the buyer/miller to purchase crops like sugarcane at or above this price
3. Price at which the government procures food grains for maintaining buffer stocks
4. Guaranteed prices declared before the sowing season to protect farmers from price fluctuations

(A) P-1, Q-2, R-3, S-4
(B) P-4, Q-2, R-3, S-1
(C) P-3, Q-4, R-1, S-2
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2020

104. What is the most appropriate objective of evolving an agricultural price policy?

(A) To ensure that agricultural prices fluctuate violently to maximize speculative trading profits.
(B) To depress farm incomes intentionally to drive the rural population into the urban sector.
(C) To set a permanent, unchangeable monetary value for every crop regardless of economics.
(D) To provide price stability for both producers and consumers as an instrument of growth.

May/June 2013

105. An economic analysis reveals that the prices of commodities purchased by farmers (such as machinery and fertilizers) are rising much faster than the prices of the crops they sell. This scenario demotivates the farmers from using modern technology. Which complex issue in agricultural price management does this scenario highlight?

(A) Pre-emptive Purchase parity
(B) Focus on Targeted Groups
(C) Terms of Trade for agriculture
(D) Buffer stock capacity limits

Oct/Nov 2007

106. A cooperative society stores its newly harvested pulses in a CWC registered warehouse. They receive an electronic document proving ownership and use it as collateral to secure a loan from a commercial bank, planning to sell the pulses when prices improve. What financial instrument has facilitated this liquidity?

(A) Letter of Credit
(B) Negotiable Warehouse Receipt (NWR)
(C) Forward Contract
(D) 'Kachcha' Arhatiya brokerage slip

May/June 2014

107. The following question consists of two statements—Assertion (A) and Reason (R).

NODIA

agriculture missions focus on productivity and climate resilience. These programs collectively aim to balance developmental needs with the preservation of natural resources and overall environmental stability.

9. (B) (I), (II), and (IV)
This electronic portal provides a national market for agricultural produce, aiming to ensure transparency and better price discovery for cultivators. By facilitating improved remuneration, it moves the country toward the goal of one unified market. However, the platform is designed to integrate and modernize the marketplace, rather than fragmenting it or specifically benefiting traditional local informal moneylenders.

10. (A) (II), (IV), (I), (III)
Rural development strategies in the country evolved through distinct phases starting with the community approach in the early fifties. This was followed by growth-oriented models in the sixties and the target group approach in the seventies. Finally, the integrated rural development approach emerged to combine various developmental elements, reflecting a historical progression toward more comprehensive and inclusive planning for rural areas.

11. (A) Both (A) and (R) are true, and (R) is the correct explanation of (A).
Small and unorganized rural producers often face significant exploitation during the processing and marketing of their raw materials. This vulnerability necessitates active government intervention to enhance their collective bargaining power. By building supportive institutions and regulatory frameworks, the state helps protect these entrepreneurs from market imbalances, ensuring they receive fair value for their efforts in the competitive economic landscape.

12. (C) It aimed to address the persistent problems of poverty and unemployment that growth-oriented models failed to tackle.
During the nineteen seventies, planners realized that previous growth-oriented models were not effectively reaching the poorest sections of society. This failure necessitated a new strategy focused specifically on vulnerable populations to address persistent poverty and unemployment. The target group approach was designed to channel resources directly to those who had been largely bypassed by broader macroeconomic developmental successes.

13. (A) It encourages the exclusive use of bio-fertilizers, effectively banning all chemical fertilizers.
Soil Health Management aims to enhance fertility through Integrated Nutrient Management and the strengthening of testing facilities. While it promotes the use of organic and bio-fertilizers, it does not mandate an absolute ban on all chemical fertilizers. Instead, the focus is on upgrading staff skills and providing balanced nutrient applications to ensure sustainable agricultural productivity and soil preservation.

14. (D) 150-million-hectare area
Extensive mismanagement of land resources has led to significant degradation across the country. Out of the total land area of three hundred and one million hectares, roughly half is estimated to be damaged by water and wind erosion. This substantial figure highlights the urgent need for comprehensive land development measures and better soil conservation practices to protect rural productivity.

15. (D) The lack of assets owned by rural poor and their low productivity
The prevalence of widespread poverty in rural regions is largely attributed to the minimal asset ownership among the poor. When individuals lack land or capital and suffer from low productivity, their income remains stagnant. This structural disadvantage, combined with a lack of specialized skills, keeps a significant portion of the population in a cycle of economic hardship and backwardness.

16. (A) Centralization of urban administrative structures
Primary objectives of rural transformation involve increasing the income of the poor and generating local employment opportunities. These efforts are supported by the provision of basic amenities like clean water and healthcare alongside essential infrastructure. Conversely, centralizing administrative structures in urban centers does not directly address the specific

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(C) It should be a year that witnessed severe international oil crises or political upheavals.
(D) It should not be a drought year nor an abnormally good year.

Oct/Nov 2021

114. In a highly competitive mandi, the price for a lot of wheat is settled through bidding. Suddenly, a government agency steps in and buys the given quantity at that exactly settled price, utilizing its legal privilege. Which procurement method is being executed?
(A) Open Market Purchase
(B) Pre-emptive Purchase
(C) Levy System
(D) Price Support Operations

May/June 2009

115. A sugar mill approaches local farmers to purchase sugarcane. According to the pricing mechanisms, the mill is legally bound to purchase the commodity at or above a specific announced price, otherwise the transaction is considered illegal. Which pricing mechanism governs this scenario?
(A) Procurement Prices
(B) Issue Prices
(C) Open Market Prices
(D) Fair Remunerative Price (FRP) / Statutory Minimum Prices

Oct/Nov 2019

116. A multinational beverage company enters into an agreement with potato farmers in Punjab to buy their specific grade of potatoes directly at a predetermined price, providing them with hi-tech harvesting machinery. Which integration initiative does this represent?
(A) Minimum Support Price operations
(B) Buffer Stock procurement
(C) Statutory Minimum Pricing
(D) Contract Marketing in Agriculture

May/June 2020

117. What is the most appropriate advantage of maintaining buffer stocks of food grains in the economy?
(A) To maximize the export of agricultural commodities to various foreign markets.
(B) To permanently eliminate the need for agricultural marketing infrastructure.
(C) To ensure that rural interest rates remain continuously low for the farmers.
(D) To impart stability to the food economy by cushioning the shocks of supply fluctuations.

Oct/Nov 2022

118. Consider the following advantages of using index numbers rather than raw prices:
I It straightway indicates the extent of price change in relation to the base period.
II It can easily reveal the changes in the price level of a group of commodities taken together.
III It instantaneously reveals the differential change in price of more than one commodity as it is unit neutral.
IV It completely eliminates the biological risks associated with agricultural production.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III)
(B) (II), (III), and (IV)
(C) (I), (III), and (IV)
(D) (I), (II), and (IV)

May/June 2012

119. Match the procurement methods in List I with their operational rules in List II.
List I: (Method)
P. Price Support Operations
Q. Open Market Purchase
R. Levy System
S. Monopoly Procurement
List II: (Operational Rule)
1. Obligatory surrender of a certain quantity of grains to the Government agency at a specified price
2. Government reserves the exclusive right of purchase from farmers, excluding private traders
3. Government purchases required quantities in competition with other traders
4. Government agencies remain in readiness to buy if prices fall below the support level
(A) P-4, Q-3, R-1, S-2
(B) P-1, Q-2, R-4, S-3
(C) P-3, Q-4, R-2, S-1
(D) P-2, Q-1, R-3, S-4

Oct/Nov 2008

120. Based on the recommendations of the CACP, the Government of India declares the Minimum Support Price (MSP) before the sowing season.

NODIA

Answer the question by selecting the appropriate option.
Assertion (A): The Levy System contains an element of compulsion for farmers, traders, or millers.
Reason (R): Under the Levy System, the specified procurement price at which grains must be surrendered is typically lower than the prevailing open market price.
(A) Both (A) and (R) are true, and (R) is the correct explanation of (A).
(B) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
(C) (A) is true, but (R) is false.
(D) (A) is false, but (R) is true.

Oct/Nov 2013

108. Which of the following statements is incorrect regarding the demand side issues of agricultural prices?
(A) Prices of farm products exhibit low inter-year variability because demand perfectly matches supply.
(B) The demand for food grains, in general, is price inelastic.
(C) A marginal increase in production can lead to a proportionately larger fall in price.
(D) Prices of agricultural produce generally remain low in the post-harvest period.

May/June 2017

109. Which of the following pairs of procurement method and its feature is incorrectly matched?
(A) Price Support Operations - Farmers voluntarily offer produce to the Government agency.
(B) Open Market Purchase - Government agency enters the market like any other commercial trader.
(C) Pre-emptive Purchase - Government reserves the first right of purchase at the settled price.
(D) Monopoly Procurement - Traders are allowed to enter the market and compete with the state.

Oct/Nov 2011

110. Which of the following statements correctly articulates the fundamental idea behind the Minimum Support Price (MSP)?
(A) It is designed to act as a ceiling price above which no private trader can buy produce.
(B) It is a penalty levied on farmers who overproduce specific high-value cash crops.
(C) It offers guaranteed prices and an assured market to insulate farmers from fluctuations.
(D) It is an import tariff applied to foreign agricultural produce entering the domestic market.

May/June 2006

111. A state government announces a high support price for coarse grains but fails to deploy the National Agricultural Co-operative Federation (NAFED) to procure the grains. Consequently, market prices crash, and farmers suffer. What does this case practically demonstrate about agricultural price management?
(A) Support prices are completely independent of the actions of procurement agencies.
(B) Coarse grains are not subject to any significant market or price fluctuations.
(C) NAFED operates exclusively in the edible oil market and ignores the grain sector.
(D) Support price announcements must be backed by official procurement to reduce volatility.

Oct/Nov 2016

112. A sudden surge in the market price of rice relative to coarse grains causes a shift in the local rural economy. How are farmers most likely to respond to this agricultural price behaviour, assuming modern technology is available?
(A) They will completely abandon rice farming due to the high risk.
(B) They will allocate more resources for producing rice to capture the remunerative prices.
(C) They will shift to industrial manufacturing immediately.
(D) They will decrease their reliance on irrigation.

May/June 2019

113. When selecting a base period for the construction of index numbers, the chosen year should have several attributes. Which of the following is NOT one of those attributes?
(A) It should represent at least one complete production process to avoid seasonal price variations.
(B) It should be a normal period in terms of production and yields.

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ANSWERS

1. (D) It was entirely self-sustaining and required minimal financial support from the central government.
The welfare approach prioritized providing essential public services and social consumption to rural populations through programs like the Minimum Needs Program. This strategy relied heavily on central government funding and planning rather than being self-sustaining. It aimed to improve dietary standards and basic health without expecting immediate financial independence or minimal external support from the state authorities.

2. (C) By improving on-farm water use efficiency and enhancing the adoption of precision-irrigation.
This scheme focuses on achieving convergence of investments in irrigation at the field level to expand the cultivable area. By improving on-farm water use efficiency and promoting the adoption of precision-irrigation techniques, the initiative minimizes wastage. These measures ensure that water resources are utilized optimally, enhancing agricultural productivity while conserving precious liquid assets for sustainable farming.

3. (C) 1952
Launched officially in nineteen fifty-two, this program was designed to secure the total development of material and human resources in rural areas. It represented a significant shift toward organized rural transformation through public participation and administrative coordination. The initiative laid the foundation for systematic planning and development across the country, focusing on agriculture, infrastructure, and basic healthcare.

4. (B) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
Irrigation coverage in the country remains limited to roughly one-third of the total cropped area after decades of planning. Simultaneously, inconsistent rainfall patterns significantly impact agricultural yields and farmer earnings. While both statements are factual, the inherent variability of monsoon rains does not directly explain why the physical expansion of irrigation infrastructure has reached only its current extent.

5. (B) Expansion of rural micro-credit facilities
Ecological degradation in rural landscapes typically stems from factors like deforestation, the destruction of natural habitats, and poor management of land and water resources. These actions disrupt the delicate environmental balance. Conversely, increasing access to financial services through micro-credit facilities is a socioeconomic developmental measure that does not inherently contribute to the physical destruction of the local ecosystem.

6. (B) Disguised unemployment where the workforce exceeds actual needs
Large-scale joblessness in the agricultural sector is primarily seen as a situation where more people are employed than necessary to maintain current production levels. This specific phenomenon suggests that the marginal productivity of some workers is zero. Removing these individuals would not decrease the total output, illustrating a structural inefficiency common in many densely populated rural farming communities.

7. (B) Katar Singh's definition
This specific conceptualization views rural development as a comprehensive process involving a total shift in the social system. It describes moving from an unsatisfactory state of life toward a better condition that is both materially and spiritually fulfilling. Such a broad definition captures the multidimensional nature of development beyond mere economic indicators, emphasizing holistic improvement for the rural population.

8. (B) P-2, Q-4, R-1, S-3
Environmental management involves diverse mandates like pollution control through research and development and ecological regulation via afforestation of degraded lands. Projects are evaluated through technical cells in ministries for impact assessment, while sustainable

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techniques can extend the shelf life of these goods, they typically remain more vulnerable than manufactured industrial items. Both points are accurate, but the general technical difficulty of making crops non-perishable is not the direct cause of immediate disposal.

42. (A) Both (A) and (R) are true, and (R) is the correct explanation of (A).
Rural populations often migrate to cities because job opportunities in their home regions are extremely limited or nonexistent. To address this urban pressure, it is critical to undertake significant development within rural areas themselves. Creating local employment and improving living conditions directly reduces the economic necessity for migration, illustrating how rural investment serves both local and national interests.

43. (B) The boundary is blurred; per capita income is a development issue, its planning is management.
The distinction between development issues and management issues in rural contexts is often not sharp. While indicators like per capita income are seen as developmental goals, the processes of planning and organizing to achieve those goals fall under management. This conceptual overlap suggests that the two fields are deeply interconnected and work together to improve the quality of rural life.

44. (A) (I) and (II)
In the context of rural transformation, the state plays a vital role by providing the necessary resources for project completion. It is also responsible for building the institutions that facilitate social and economic progress. Rather than abolishing all regulations, the state maintains a framework to guide development and ensure that market activities contribute to the overall well-being of the population.

45. (C) Buyers and sellers who are in contact with one another
In foundational marketing theory, a market is primarily defined as a group of buyers and sellers who are in communication with each other to exchange goods or services. It is not limited to a specific physical building or storage site. Instead, it represents the entire network of interactions and transactions that facilitate the movement of commodities between different economic actors.

46. (B) Augmentation of marketing infrastructure and specialized storage facilities
Addressing the gaps in agricultural support services requires the augmentation of marketing infrastructure and the creation of specialized storage facilities. These improvements help farmers handle their produce more effectively and reduce losses. Such measures are far more constructive than restricting exports or eliminating transport subsidies, as they directly enhance the efficiency and profitability of the agricultural supply chain.

47. (A) (I), (II), (III), and (IV)
Management facilitation in rural areas involves empowering people and developing local leadership through training and support. It also requires strengthening economic institutions like agricultural markets and banking networks to provide essential services. Centralized industrial manufacturing is generally not a component of this facilitation, as the focus remains on decentralized development that benefits the rural community directly.

48. (B) Massive poverty and backwardness
A workforce characterized by landless laborers who have no asset ownership and rely on seasonal work with outdated tools clearly illustrates deep-seated poverty. These conditions reflect a state of economic backwardness where lack of resources prevents the adoption of better practices. Such scenarios highlight the primary challenges that rural development initiatives must address to improve living standards in underdeveloped districts.

49. (A) P-4, Q-3, R-1, S-2
Human resource development focuses on empowerment and skill training, while physical infrastructure involves networks like power, roads, and banking. Social infrastructure includes essential services like drinking water and education, and the policy component covers support and regulatory control. Together, these different areas of facilitation create the necessary environment for successful and sustainable management of rural development programs.

NODIA

needs of rural populations or contribute to the improvement of their living conditions.

17. (A) PMKSY - Achieving convergence of investments in irrigation at the field level
The primary focus of this agricultural initiative is to achieve the convergence of investments in irrigation at the farm level. By doing so, it aims to expand the cultivable area and improve water use efficiency. Other programs focus on organic farming or electronic marketing, but the specific goal of field-level irrigation investment is the hallmark of this particular government scheme.

18. (A) (I) and (II)
This approach was developed to synthesize the successful elements of community, growth-oriented, and target group strategies. It sought to address the multifaceted nature of rural poverty by tackling economic, organizational, and technological issues simultaneously. Unlike narrow sector-specific models, this framework recognized that rural progress requires the integration of diverse activities across both primary and secondary economic sectors.

19. (B) Only (II)
This program functions as a convergence platform that coordinates various water-related activities, including drinking water, sanitation, and rural employment schemes. It does not rely on a highly centralized planning structure managed entirely by the central government. Instead, the architecture emphasizes state-level planning and local implementation to ensure that irrigation investments are tailored to the specific needs of different regions.

20. (A) The pressure of increasing human population and other developmental activities
The loss of various ecosystems and the changing habitats of many species are driven by the intense pressure of a growing human population. Developmental activities frequently encroach upon natural areas, leading to environmental fragmentation. This human-induced strain is the primary factor causing the disappearance of certain biological systems, rather than natural evolutionary cycles or the enforcement of ecological regulation programs.

21. (C) High-frequency electronic trading terminals
Necessity for rural development is often high due to the lack of basic facilities like reliable electricity, clean drinking water, and effective transport networks. Educational and healthcare infrastructure like primary schools and hospitals also remains insufficient in many areas. However, specialized financial infrastructure like high-frequency electronic trading terminals is not considered a primary or essential basic need for rural populations.

22. (A) Only (I)
Introduced during the nineteen seventies, this strategy specifically targeted the development of backward regions, such as those prone to drought. It aimed to utilize local resources and reduce regional imbalances through specialized programming. While it faced many implementation challenges, the primary conceptual focus was the geographic targeting of resources to uplift certain areas that had lagged behind in general national progress.

23. (D) Development that meets present needs without compromising the ability of future generations to meet their own.
Sustainable development is defined as a process that fulfills the requirements of the current population without damaging the capacity of future generations to meet their own needs. This concept emphasizes the importance of balancing economic growth with environmental preservation. It advocates for the careful management of natural resources to ensure long-term stability and equity across different time periods and generations.

24. (A) (I) and (II)
Launched during the kharif season of twenty-sixteen, this scheme provides insurance cover to mitigate financial risks in the agricultural sector. Its main goal is to stabilize the income of farmers, ensuring they can continue farming despite crop failures. By providing this safety net, the program actually encourages the adoption of innovative practices rather than discouraging modern agricultural advancements.

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How many crops are currently covered by the MSP scheme?
(A) 15
(B) 20
(C) 22
(D) 24

May/June 2015

121. A group of progressive farmers in Pune forms a cooperative to handle the harvesting, packing, and pre-cooling of grapes to meet the stringent quality requirements for export to the United Kingdom. Which specific integration initiative does this example, often termed as 'Mahagrapes', represent?
(A) Monopoly Procurement by the State government agencies.
(B) The levy system of agricultural pooling and distribution.
(C) The issuance of non-negotiable warehouse receipts to farmers.
(D) Integration of production, processing, and marketing for prosperity.

Oct/Nov 2015

122. According to the limitations of price measures, administered prices alone cannot ensure long-term stability. All of the following are recognized as necessary parallel approaches to achieve economic growth and price stability, EXCEPT:
(A) Promotion of technology
(B) Infrastructural investments
(C) Complete abolition of the domestic agricultural processing industry
(D) Sustainable population growth

May/June 2010

123. The overall conclusion regarding rural development highlights that achieving prosperity in rural India requires a multifaceted strategy. Which combination of measures forms this well-balanced package necessary for economic development and price management?
(A) Rapid urban industrialization, deforestation, and high import tariffs on basic goods.
(B) Reliance on traditional farming, elimination of credit, and unregulated middlemen.
(C) Promotion of technology, infrastructure, subsidies, and a pragmatic price policy.
(D) Monopoly procurement of all goods, banning trade, and suspension of distribution.

Oct/Nov 2017

124. A national organization wants to create an effective market intelligence network that bridges the gap from the global importer to the producer in the remote corner of rural India. What is the primary purpose of bringing out reports integrating the present status and future scenario in this context?
(A) To ensure competitiveness and empower farmers to make informed decisions about produce.
(B) To force all rural farmers to migrate to urban centres for industrial employment.
(C) To legally mandate a single fixed price for all crops across the entire global market.
(D) To bypass the APMC acts completely and eliminate all forms of market regulation.

May/June 2008

125. Match the essential keywords in List I with their standard definitions in List II.
List I: (Keyword)
P. AGMARK
Q. Capital Formation
R. PMKSY
S. PMFBY
List II: (Definition)
1. Connotes change in the capital stock of an economy
2. A comprehensive insurance cover against failure of the crop
3. A certification mark assuring agricultural products conform to approved standards
4. Scheme aimed at achieving convergence of investments in irrigation at the field level
(A) P-1, Q-2, R-3, S-4
(B) P-3, Q-1, R-4, S-2
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-4, R-1, S-3

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33. (B) Because rural people were traditionally dependent on moneylenders who created systemic debt traps.
Despite the growth of organized credit through banks, moneylenders persist because rural populations were historically dependent on them for immediate needs. These informal lenders often created deep-seated debt traps through high interest rates and exploitative practices. The long-standing nature of these relationships and the ease of access to informal loans keep many farmers from transitioning fully to institutional banking.

34. (D) Shifting control to decentralized local institutions like Panchayats and Self-Help Groups.
When central programs suffer from poor performance and financial leakage at the local level, the most effective solution is to decentralize control. Shifting management to local bodies like Panchayats or Self-Help Groups increases accountability and ensures that decisions are made by those closest to the issues. This approach empowers the community and reduces bureaucratic inefficiencies found in centralized systems.

35. (A) By implementing measures to raise their knowledge and skills to improve human capital.
The high number of small farmers and landless laborers with limited expertise necessitates targeted efforts to improve human capital. By implementing measures that raise their knowledge and skills, the government can enhance productivity and economic outcomes. This focus on education and training is more effective than importing urban labor or relying solely on mechanization to solve rural employment issues.

36. (A) Maximizing the price spread between primary producers and ultimate consumers
Rural marketing aims to benefit primary producers while providing quality products to consumers at reasonable prices. It involves setting up efficient distribution channels to ensure that goods move effectively through the economy. However, maximizing the price spread between producers and consumers is counterproductive, as it usually implies higher costs for buyers and lower returns for the actual farmers.

37. (B) Only (II)
While modern production techniques have been introduced in many areas, they are not uniformly adopted across the entire country. Large regions still rely on traditional methods of farming due to various factors like lack of access to technology or financial constraints. This persistence of older practices highlights the ongoing need for technological upgrades and support in many rural districts.

38. (D) The planning of grants and low-cost loans should be as rigorous as domestic funds.
For foreign aid, such as low-cost loans, to effectively support rural development, it must be subject to the same rigorous planning standards as domestic funds. Mismanagement or casual distribution can lead to waste. Ensuring that these resources are used strategically for investment rather than just consumption is essential for achieving long-term economic growth and meaningful improvement in rural areas.

39. (B) (I), (II), and (IV)
Sustainable development requires balancing economic growth with environmental management while addressing the basic needs of the poor. It also involves integrating developmental planning with population control measures to ensure that resources are not overstretched. Accelerated industrialization that ignores urban and environmental issues is generally not part of a sustainable model, as it can lead to long-term ecological damage.

40. (A) Both (A) and (R) are true, and (R) is the correct explanation of (A).
Increasing the supply of factors like capital stock is essential for driving economic growth in any sector. When the physical stock of machines and tools expands, it enhances the marginal productivity of the workforce. This relationship between capital investment and labor efficiency explains why boosting resources is a fundamental requirement for improving production levels and overall economic performance.

41. (B) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
Many farm products like vegetables are highly perishable, which often forces farmers to sell them quickly to avoid total loss. While processing

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25. (B) Replacing all organic fertilizers with chemical fertilizers globally
The National Mission for Sustainable Agriculture emphasizes the promotion of location-specific integrated farming systems and comprehensive soil health management. It also focuses on efficient water management to build climate resilience. Conversely, the mission does not advocate for the replacement of organic fertilizers with chemical ones; it generally promotes a balanced approach that often prioritizes organic and sustainable methods.

26. (D) The benefits would gradually 'trickle down' to the poor.
During the second plan period, the strategy for rural progress was based on the assumption that rapid increases in production would eventually benefit the poor. This expectation, known as the trickle-down effect, suggested that wealth generated in the broader economy would gradually reach lower socioeconomic strata. However, this indirect method often failed to alleviate poverty as effectively as direct targeted interventions.

27. (A) The productivity per hectare is exceptionally high in comparison with developed countries.
Indian agriculture is characterized by low productivity per hectare when compared to many developed nations. While agricultural products make up a significant portion of the domestic consumption basket, the growth rate has historically been insufficient to substantially raise the incomes of farmers. Achieving a higher annual output rate is considered essential for maintaining national self-reliance and improving rural livelihoods.

28. (A) P-4, Q-1, R-3, S-2
Different developmental approaches are linked to specific initiatives, such as the Intensive Agriculture District Program for growth and the Small Farmers Development Agency for target groups. The area development approach focuses on drought-prone regions, while the welfare approach is exemplified by the Minimum Needs Program. These historical links show how planning strategies were translated into concrete actions to address rural challenges.

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29. (C) To promote organic cultivation in India and boost farmers' income through premium prices.
This initiative is designed to promote organic cultivation across the country, helping farmers secure premium prices for their produce. By encouraging traditional and sustainable farming practices, the scheme aims to improve soil health and enhance the income of cultivators. It focuses on cluster-based organic farming to make the transition more viable and profitable for small-scale agricultural producers.

30. (A) Both (A) and (R) are true, and (R) is the correct explanation of (A).
The National Forest Policy established a target requiring thirty-three percent of the country's total land surface to be covered by forests. Currently, the actual forested area is approximately twenty-three percent, which falls significantly short of this official objective. The existence of this specific policy goal highlights the deficit in current forest cover and the need for increased afforestation efforts.

31. (B) (III) and (IV)
Rural development is necessary because agro-based industries often remain underdeveloped due to technological and infrastructural gaps. Furthermore, the non-farm sector in these areas has not yet reached its full potential. While traditional industries face competition from modern manufacturing, the primary drivers for developmental intervention are these underlying gaps in industrial growth and the historical unevenness of agricultural progress.

32. (B) Profit maximization
The human development paradigm, as described in mid-nineties reports, focuses on productivity, equity, and sustainability to improve well-being. Empowerment is also a crucial element of this framework. However, profit maximization is a traditional commercial objective that does not align with the core principles of human development, which prioritize the expansion of people's capabilities and choices over purely financial gains.

50. (C) Designing technologies which are appropriate to local conditions
When small artisans cannot use modern tools due to geographical or local constraints, the best solution is to design technologies specifically suited to their conditions. This approach ensures that improvements are practical and accessible for the target population. Appropriate technology bridges the gap between traditional methods and modern efficiency without requiring the relocation of workers or the use of overly complex machines.

51. (B) (II), (III), and (IV)
Agricultural goods are distinguished by their seasonal production, which leads to regular supply fluctuations throughout the year. Most of these products are bulky, making their transport and storage more difficult and expensive. Additionally, there is significant variation in quality between different lots, necessitating careful grading and standardization to facilitate trade and ensure fair pricing for the cultivators.

52. (D) Rural and urban areas operate as entirely independent economic silos with no interdependence.
Rural and urban areas are highly interdependent and do not operate as independent economic silos. Rural regions provide essential raw materials for industry and food for urban populations, while also serving as major markets for manufactured goods. This complementary relationship means that the development of one area significantly impacts the prosperity and economic health of the other.

53. (C) The quality of land cannot be improved once it has been subjected to traditional farming.
Contrary to the idea that land quality is static, various land development measures can significantly improve soil health even after long periods of traditional farming. While some resources like minerals are non-renewable, others like plants and water can be managed sustainably. Complete knowledge of these resources is a vital first step for planning and executing effective developmental efforts in rural areas.

54. (C) Government systems became bureaucratic, showing a need for decentralized institutions.
Experience has shown that large government systems often become overly bureaucratic, which can hinder the effective delivery of services in rural areas. This observation highlights the critical need for decentralized institutions that are more responsive to local needs. Encouraging participation and moving power away from centralized urban offices helps ensure that development programs are implemented more efficiently and equitably.

55. (A) Improving Human Capital - Exploring new non-renewable minerals
Improving human capital specifically involves enhancing the skills, knowledge, and health of the population through education and training. Exploring new non-renewable mineral resources is a matter of natural resource development rather than human capital improvement. Other matches, such as raising labor productivity through capital increases or using modern inputs for technology upgrades, correctly describe the different measures used in development.

56. (A) Heavy industries have emerged in urban areas due to infrastructure and linkages.
Most heavy industries have historically emerged in urban centers because these locations offer superior infrastructure and better economic linkages. This concentration of development has contributed to the large-scale migration of people from rural areas in search of better opportunities. While urban growth is significant, it often occurs at the expense of rural investment, leading to regional imbalances in industrialization.

57. (A) Policy support and control
Even when skills are taught and physical infrastructure is built, local regulations or rules can still block economic progress. In this case, the prohibition of small enterprises operating from homes represents a lack of supportive policy. Facilitation must include the alignment of rules and regulations to ensure that developmental initiatives can actually be carried out by the local population.

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92. (C) Procurement Prices - Adopted in times of shortages for public distribution
Procurement prices are those set by the government to buy food grains for maintaining buffer stocks and supporting the public distribution system, particularly during times of shortage. Minimum support prices are declared before sowing, while statutory minimum prices for crops like sugarcane are legally binding on buyers. Issue prices are the rates at which commodities are provided to consumers through subsidized government outlets.

93. (C) Small Farmers' Agribusiness Consortium (SFAC)
The Small Farmers' Agribusiness Consortium is the lead agency responsible for managing the implementation of the electronic National Agricultural Market. This portal integrates various mandi yards to create a unified national market for agricultural produce. By facilitating online trade and transparent price discovery, the consortium helps empower farmers and improve their access to a wider network of buyers and competitive prices.

94. (C) Private traders are allowed to buy and sell alongside the government.
Under a monopoly procurement system, the government reserves the exclusive right to purchase a specific commodity from farmers, effectively banning private traders from entering that market. This method is usually adopted as a last resort to ensure supply or stabilize prices. An example of this was the historical monopoly procurement of cotton in Maharashtra, where only the state agency could legally buy the crop.

95. (B) $I_i = P_1 / P_0 \times 100$
The standard method for calculating a price index for an individual product involves dividing the current price by the base period price and multiplying by one hundred. This formula, where the current price is represented by P-one and the base price by P-zero, allows economists to express the price change as a percentage. It provides a unit-neutral way to track inflation or deflation over time.

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96. (B) It is desirable to supply food grains only to target groups like BPL families.
To improve the efficiency of the public distribution system, many experts suggest targeting subsidized food grains specifically toward those who need them most, such as families living below the poverty line. Moving away from universal subsidies helps reduce the fiscal burden on the government and ensures that limited resources are used to support the most vulnerable sections of the population effectively.

97. (D) Distress Sale
When a farmer is forced to sell their crop immediately at a low price to pay off debts, despite knowing that prices will soon rise, they are experiencing a distress sale. This situation is driven by a lack of financial liquidity and the pressure from creditors. It highlights a major economic vulnerability for small-scale producers who cannot afford to wait for better market conditions.

98. (A) (I), (II), (III), and (IV)
The commission responsible for recommending support prices considers various factors, including the cost of production and inter-crop price parity. They also analyze market trends in demand and supply alongside the parity between prices paid and received by farmers. These economic indicators ensure that the support prices are set at a level that remains fair to producers while reflecting broader macroeconomic realities.

99. (B) Price Support Operations
In price support operations, the government agency stands ready to buy produce if market prices fall below a certain level, but farmers are under no obligation to sell to them. This voluntary system provides a safety net for producers without restricting their ability to sell to private traders if better prices are available. It is a key tool for maintaining stability in agricultural markets.

100. (C) The value of a variable at a point of time expressed as a percentage of its value at some base period.
An index number is an economic tool used to express the value of a variable at a specific time as a percentage of its value during a chosen base period. It is unit-neutral, meaning it can be used to compare changes in different types of data easily.

implications for how these biological resources are accessed and utilized by different countries.

67. (C) Because each farm product is tied to a particular season of production.
Unlike industrial products that can be manufactured year-round in factories, agricultural products are tied to specific biological growth cycles and seasons. This seasonal nature of production creates periods of abundance followed by periods of scarcity, leading to significant fluctuations in both supply and prices. These inherent biological constraints make agricultural markets naturally more volatile than those for many manufactured goods.

68. (C) 1000 markets
By twenty-sixteen, the government launched the electronic National Agricultural Market to integrate various mandi yards into a single online platform. Currently, approximately one thousand markets are linked through this system, facilitating transparent and efficient trade across different regions. This integration aims to improve price discovery for farmers and reduce the influence of local intermediaries in the agricultural supply chain.

69. (B) (I), (II), and (III)
The national grading act empowers the government to set standards, which are prepared by the Directorate of Marketing and Inspection. Products that meet these criteria bear the AGMARK label, signifying their quality to consumers. While grading is essential for international trade, it is also highly beneficial for the domestic market, ensuring that consumers receive standardized and safe agricultural products.

70. (C) P-4, Q-2, R-1, S-3
Village markets often involve sales to local dealers, while rural primary markets are periodic gatherings like haats. Regulated markets are managed by official committees to ensure fair trade, and electronic spot markets allow for online trading across state lines. These different market structures reflect the various ways agricultural produce moves from the farm gate to the final consumer in the economy.

71. (A) Phasing out all forms of market intelligence to rely purely on local middleman rumors
Challenges in rural marketing include improving post-harvest technology and ensuring competitiveness through cooperatives and group marketing. Promoting value addition at the village level is also a key goal. Conversely, phasing out market intelligence would be detrimental; the goal is actually to improve information flow to empower farmers and reduce their reliance on rumors or biased data from middlemen.

72. (B) Only (III)
In agricultural marketing, a broker or dalal serves as a mediator between buyers and sellers without having their own business establishment. In contrast, 'kachcha' arhatiyas primarily focus on the assembly of produce for local farmers, while 'pucca' arhatiyas act on behalf of outstation buyers and themselves. Each type of intermediary plays a specific role in the movement of goods through traditional market channels.

73. (D) eNAM GrAMs in New York
Various states have established specialized markets like Apni Mandis in Punjab and Rythu Bazaars in Andhra Pradesh to facilitate direct sales from producers to consumers. Uzhavar Santhai in Tamil Nadu serves a similar purpose. However, an initiative titled eNAM GrAMs in New York is not a real domestic scheme; these markets are strictly local efforts to improve rural livelihoods within India.

74. (C) According to official estimates, rodents consume 0% of the total produce due to perfect warehousing.
Inadequate storage facilities pose a major risk to agricultural produce, as crops can be damaged by dampness and pests. Official and unofficial estimates both suggest that significant losses occur due to rodents and other factors because of imperfect warehousing. The claim that rodents consume zero percent of produce due to perfect warehousing is incorrect, as substantial waste remains a critical issue in the sector.

75. (A) (I), (II), (III), and (V)
International trade agreements require commitments in market access and the reduction of certain domestic supports and export subsidies to increase market orientation. A major challenge

with other methods like open market purchases, where the government agency competes with commercial traders. Price support and pre-emptive purchases also involve different rules regarding how the government interacts with farmers and the broader marketplace to secure essential agricultural commodities.

110. (C) It offers guaranteed prices and an assured market to insulate farmers from fluctuations.
The minimum support price is designed to provide farmers with a guaranteed price and an assured market for their produce. By setting a floor price, the government protects cultivators from the risks of a market crash during times of high production. This policy encourages farmers to invest in their land and adopt better techniques, knowing they will receive a fair return for their efforts.

111. (D) Support price announcements must be backed by official procurement to reduce volatility.
For a support price announcement to be effective in stabilizing the market, it must be supported by the actual presence of procurement agencies. If the government announces a price but fails to buy the produce when market rates fall, the announcement alone cannot prevent a price crash. This demonstrates that the physical capability to procure goods is essential for the success of price support policies.

112. (B) They will allocate more resources for producing rice to capture the remunerative prices.
When the price of one crop rises significantly relative to others, farmers who have the necessary technology and resources are likely to shift their production toward that more profitable commodity. This response is a classic example of how price signals influence the allocation of resources in the agricultural economy. Farmers move to capture higher returns, illustrating the dynamic nature of rural production decisions.

113. (C) It should be a year that witnessed severe international oil crises or political upheavals.
A base period used for calculating index numbers should ideally be a normal year in terms of production, yields, and general economic conditions. It should not be a year marked by extreme events like severe droughts or major international political and economic upheavals. Choosing a stable period ensures that the resulting index provides a reliable and accurate benchmark for measuring subsequent changes over time.

114. (B) Pre-emptive Purchase
A pre-emptive purchase occurs when a government agency uses its legal right to buy a specific lot of produce at the price that was already settled through bidding in the market. This allows the state to acquire high-quality goods without having to bid against other traders. It is a specialized tool that gives the government first access to commodities available in the regulated mandis.

115. (D) Fair Remunerative Price (FRP) / Statutory Minimum Prices
For certain crops like sugarcane, the government sets a price that is legally binding on all buyers, such as sugar mills. Purchasing the commodity below this mandated level is illegal. This statutory minimum price, now often referred to as the Fair and Remunerative Price, ensures that farmers receive a guaranteed return and protects them from potential exploitation by large-scale processing companies.

116. (D) Contract Marketing in Agriculture
Contract marketing involves a formal agreement between a producer and a buyer, often a commercial firm, before the production begins. The firm may provide inputs or machinery and agrees to buy the harvest at a predetermined price. This integration helps farmers reduce their market risk and gain access to modern technology, while the company secures a reliable supply of specific quality produce.

117. (D) To impart stability to the food economy by cushioning the shocks of supply fluctuations.
Maintaining buffer stocks is essential for imparting stability to the food economy by cushioning the shocks caused by supply fluctuations. When production is low, the government can release these stocks to prevent sharp price increases and ensure food security. This mechanism helps manage the inherent volatility of agriculture and protects both producers and consumers from the negative effects of unpredictable harvests.

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Reducing this spread is a key goal of agricultural marketing reforms.

84. (C) Central Warehousing Corporation (CWC) operates warehouses primarily to store food grains from the central pool.
The Central Warehousing Corporation operates a network of warehouses used primarily for storing food grains from the central pool. This infrastructure is vital for managing the national food supply. Significant losses still occur during the post-harvest process, particularly for highly perishable fruits and vegetables, highlighting the need for continued expansion and modernization of the country's cold chain and storage capacity.

85. (B) (I), (II), and (IV)
The model act released in two thousand and three aimed to modernize agricultural trade by facilitating contract farming and allowing private entities to establish markets. It also proposed replacing restrictive licenses with a simpler registration process for market agencies. These changes were designed to increase competition and flexibility in the marketplace, rather than imposing multiple-tier fees that would further increase costs for farmers.

86. (B) P-4, Q-2, R-3, S-1
The price inelasticity of food arises because it is a necessity for human life, while quality variation makes grading more difficult. Bulkiness leads to high transportation and storage costs. Furthermore, the requirement for processing often gives firms in that sector a monopoly advantage over individual farmers. Understanding these links is crucial for managing the economic challenges associated with the trade of agricultural products.

87. (B) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
Agricultural exports from the country saw a significant increase to over forty-one billion dollars during the twenty-twenty to twenty-one period. Simultaneously, the national export policy introduced product-district clusters to promote specific commodities. While both facts are correct and the policy certainly supports growth, the specific jump in export value is not solely explained by the introduction of these geographic clusters.

88. (B) It leads to exploitation, as produce is sold at unremunerative rates to intermediaries.
In markets where regulation is weak or absent, the presence of various intermediaries often leads to the exploitation of cultivators. Farmers may be forced to sell their produce at unremunerative rates because they lack bargaining power or alternative options. These middlemen often control the flow of information and credit, further entrenching their dominance and reducing the economic returns for the actual producers of the crops.

89. (B) It provides market width through Spot Exchanges, Futures, and ICT Information.
Electronic trading provides agricultural marketing with greater reach by integrating spot exchanges and futures markets through digital information systems. It allows for more efficient price discovery and connects farmers with a wider range of potential buyers across a larger geographical area. This technological shift modernizes the trading process without requiring farmers to move away from their land or traditional production activities.

90. (B) Only (II)
High transportation costs, estimated to range from three to fifteen percent of the product value, often discourage farmers from taking their crops to larger, distant markets. These expenses significantly eat into the farmer's potential profits. Because agricultural products are typically bulky and low-value, the cost of movement is a major factor in the economic decision-making process for small-scale rural producers.

91. (C) Both (I) and (II)
Agricultural production is governed by biological cycles that cannot be easily shortened, even if demand increases suddenly. This creates a fixed production period that limits the responsiveness of supply. Additionally, the process involves significant risk and uncertainty due to its dependence on weather and other natural factors. These biological and environmental constraints are fundamental challenges for managing the supply of agricultural commodities.

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58. (A) By marking a spurt in the use of modern inputs and improved farm machinery.
The green revolution fundamentally changed farming by introducing high-yielding variety seeds and encouraging the use of chemical fertilizers and improved machinery. This shift toward modern inputs led to a significant increase in agricultural productivity in several regions. It moved the sector away from pure reliance on traditional practices, marking a major technological milestone in the history of the country's rural development.

59. (C) The concept of rural development viewed as a management process.
Viewing rural development as a management process defines it as a system where society increases its capacity to manage resources for sustainable improvement. This perspective focuses on both personal and institutional growth to ensure that benefits are justly distributed. It emphasizes the importance of organizational ability and resource mobilization in achieving a higher quality of life for all members of the community.

60. (B) P-3, Q-4, R-1, S-2
Low incomes can be addressed by planning for the non-farm sector, while the loss of green cover is tackled through joint forest management. Issues with soil and water erosion are managed via community watershed programs, and credit access is improved by promoting Self-Help Groups. These specific interventions target the underlying causes of rural problems through organized and community-based management efforts.

61. (D) 90%
In remote rural areas, the vast majority of the marketable surplus—estimated at ninety percent—is sold through Rural Primary Markets. These local markets, such as weekly haats and shandies, are the primary points of exchange for small and marginal farmers. Their high usage underscores the importance of improving local marketing infrastructure to ensure that cultivators receive fair prices for their produce.

62. (A) Shetkari Bazaar
This specific market initiative was established in Maharashtra to enable fruit and vegetable farmers to sell their produce directly to consumers. By bypassing intermediaries, farmers can retain a larger share of the final price. Such farmers' markets are part of a broader trend to promote direct marketing and improve the economic outcomes for agricultural producers in various states.

63. (D) (A) is false, but (R) is true.
Estimating agricultural supply is a complex task because production is carried out by millions of individual farmers spread across a vast geographic area. This decentralized and fragmented nature of farming makes it difficult to gather accurate and timely data. Therefore, the claim that supply estimation is simple and centralized is incorrect, as it involves significant logistical and statistical challenges.

64. (C) Guaranteeing a fixed permanent price independent of market forces
The negotiable warehouse receipt system improves liquidity for farmers and helps them avoid selling their produce at low prices during the peak harvest season. It allows for better management of price risks by letting farmers wait for more favorable market conditions. However, the system does not guarantee a fixed permanent price, as the value still depends on prevailing market forces.

65. (A) The farmer's inability to wait for better prices due to immediate debt obligations.
A distress sale occurs when a farmer is forced to sell their produce immediately after harvest, regardless of the price, to meet urgent debt obligations or household needs. Because the farmer lacks the financial flexibility or storage to wait for prices to rise, they must accept whatever is offered. This situation is a common challenge for small-scale producers with limited capital.

66. (A) Western crop varieties are often drawn from the germ plasma of developing nations.
Under the TRIPS framework, many crop varieties patented in the West are actually derived from the genetic resources of developing nations. This highlights the ongoing debate over the ownership and privatization of global germ plasma. While some regions are gene-rich, the international intellectual property system has complex

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This makes it particularly useful for tracking trends in agricultural prices or production levels over several years.

101. (B) (II) and (III)
While some procurement systems were simplified in the early nineties, the role of minimum support prices remains critical in the modern economic environment. International markets often exhibit higher volatility than domestic ones, making it necessary to protect local farmers from sudden global price drops. Therefore, support prices continue to serve as an essential instrument for ensuring agricultural stability and farmer security.

102. (A) Buffer Stocks
The government maintains buffer stocks of essential food grains to cushion the economy against supply shocks caused by events like droughts or crop failures. By releasing these stored grains during shortages, the state can stabilize prices and ensure that food remains available to the public. This mechanism is a vital part of the national strategy for maintaining food security and economic stability.

103. (B) P-4, Q-2, R-3, S-1
Minimum support prices are declared before sowing to protect farmers, while statutory minimum prices are legally binding on buyers of specific crops. Procurement prices are the rates at which the government buys grains for buffer stocks, and issue prices are the subsidized rates for consumers in the public distribution system. Together, these mechanisms form a comprehensive framework for managing agricultural prices.

104. (D) To provide price stability for both producers and consumers as an instrument of growth.
The primary goal of an agricultural price policy is to provide stability for both producers and consumers, serving as an instrument for overall economic growth. By preventing extreme price fluctuations, the policy helps farmers plan their production and ensures that food remains affordable for the population. This balanced approach supports long-term development and reduces the economic risks associated with agricultural volatility.

105. (C) Terms of Trade for agriculture
When the prices of agricultural inputs rise faster than the prices of the crops sold, the terms of trade shift against the agricultural sector. This imbalance can demotivate farmers from investing in modern technology or improving production. Managing these relative price changes is a complex challenge for policymakers who aim to keep farming profitable while maintaining affordable food prices for consumers.

106. (B) Negotiable Warehouse Receipt (NWR)
A negotiable warehouse receipt is a document proving ownership of stored produce that can be used as collateral for bank loans. This allows farmers to get immediate liquidity without being forced to sell their crops at low prices during the harvest glut. By providing access to credit, the system empowers producers to wait for better market conditions and improves their overall financial stability.

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107. (A) Both (A) and (R) are true, and (R) is the correct explanation of (A).
The levy system involves a legal obligation for farmers, traders, or millers to surrender a part of their grain to the government. This element of compulsion exists because the fixed procurement price for the levy is usually lower than what could be earned in the open market. This mechanism ensures that the state can acquire necessary food grains for public distribution programs.

108. (A) Prices of farm products exhibit low inter-year variability because demand perfectly matches supply.
Prices of agricultural products actually exhibit high inter-year variability because demand is relatively stable while supply can fluctuate significantly due to natural factors. The demand for most food grains is price inelastic, meaning small changes in production can lead to large shifts in market prices. This volatility is a major reason why government intervention through price policies is considered necessary for the sector.

109. (D) Monopoly Procurement - Traders are allowed to enter the market and compete with the state.
In a monopoly procurement system, the state is the only legal buyer, and private traders are strictly prohibited from competing. This contrasts

CHAPTER 08
Regulation of Rural Financial Services

May/June 2016

1. Identify the incorrect statement regarding the findings and recommendations of the All-India Rural Credit Survey Committee (1954):
(A) The Committee observed that only three per cent of agricultural credit was supplied by cooperatives.
(B) The total borrowings of cultivators in the country for the year 1951-1952 was estimated at ₹ 750 crore.
(C) The Committee recommended the creation of the State Bank of India as a crucial part of the Integrated Scheme of Rural Credit.
(D) The Committee recommended the dismantling of the cooperative movement due to its structural and managerial weaknesses.

Oct/Nov 2009

2. Under Section 24 of the NABARD Act, 1981, financial assistance is provided for various purposes like minor irrigation, land development, and setting up of gobar gas plants. What is the most appropriate reason for specifying these purposes under this section?
(A) These activities strictly require financing for periods exceeding 25 years to ensure long-term infrastructural sustainability.
(B) These purposes fall under the exclusive jurisdiction of the State Governments and are not financed by commercial banks.
(C) Banks could not formulate area-based schemes or individual projects because of the small financial outlay required.
(D) These activities are considered non-priority and require special individual approval from the Reserve Bank of India.

May/June 2023

3. Arrange the following landmark events in the evolution of the institutional credit system for the rural sector in chronological order:
I. Establishment of Regional Rural Banks (RRBs)
II. Nationalization of 14 major scheduled commercial banks
III. Organization of cooperative credit societies
IV. Induction of commercial banks into the field of agricultural credit under 'social control'
Select the correct sequence from the options below:
(A) III, IV, II, I
(B) III, II, IV, I
(C) IV, III, II, I
(D) III, I, IV, II

Oct/Nov 2018

4. Read the given assertion and reason and select the correct option:
Assertion (A): NABARD prepares Potential Linked Credit Plans (PLPs) for almost all the districts covering all states and union territories.
Reason (R): PLPs act as a guide to credit planning by banks for the ensuing year by estimating the credit potential that can be absorbed at the district level for priority sectors.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2007

5. Identify the incorrect pair regarding the institutions and their primary focus prior to the establishment of NABARD:
(A) Small Farmers Development Agency (SFDA) - Deal with the problems of small farmers and agricultural labourers
(B) National Agricultural Credit (Stabilization) Fund - Subscribing directly or indirectly to the share capital of cooperative credit institutions
(C) Agricultural Refinance and Development

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118. (A) (I), (II), and (III)
Index numbers are highly useful because they indicate the extent of change relative to a base period and can track groups of commodities together. Being unit-neutral, they allow for easy comparison across different types of data. While they are powerful tools for economic analysis, they do not have the ability to eliminate the physical biological risks that are inherent in agricultural production.

119. (A) P-4, Q-3, R-1, S-2
Price support operations involve government readiness to buy when prices fall, while open market purchases occur in competition with other traders. The levy system requires the obligatory surrender of grains at a fixed price, and monopoly procurement gives the state the exclusive right to buy from farmers. These various rules define how the government intervenes in agricultural markets to achieve different policy goals.

120. (D) 24
Currently, the government of India declares minimum support prices for twenty-four different agricultural commodities. These include various food grains, pulses, oilseeds, and commercial crops. The recommendations for these prices are made by the Commission for Agricultural Costs and Prices, taking into account several economic factors to ensure that farmers receive a remunerative return for their work across many sectors.

121. (D) Integration of production, processing, and marketing for prosperity.
The example of grape cooperatives handling harvesting and packing for export represents the integration of production, processing, and marketing. By working together, farmers can meet high international quality standards and access more profitable global markets. This holistic approach to the supply chain helps improve the economic outcomes for rural producers and demonstrates the power of collective action in achieving prosperity.

122. (C) Complete abolition of the domestic agricultural processing industry
Long-term stability in the agricultural economy requires a combination of price measures and other strategies like promoting technology and investing in infrastructure. Sustainable population growth is also important for balancing supply and demand. Conversely, abolishing the domestic processing industry would be harmful, as processing is essential for adding value to agricultural products and extending their shelf life, benefiting both farmers and consumers.

NODIA

123. (C) Promotion of technology, infrastructure, subsidies, and a pragmatic price policy.
Achieving rural prosperity requires a well-balanced strategy that includes the promotion of technology and significant investments in infrastructure. These efforts are supported by appropriate subsidies and a pragmatic price policy to ensure that farming remains viable and stable. This multifaceted approach addresses the various economic and physical challenges faced by rural communities, fostering long-term growth and sustainable improvement in living standards.

124. (A) To ensure competitiveness and empower farmers to make informed decisions about produce.
Building a robust market intelligence network aims to empower farmers by providing them with accurate information about status and future trends. When producers know what to expect in the market, they can make better decisions about what to grow and when to sell. This increased transparency and knowledge help ensure competitiveness and reduce the traditional information advantage held by intermediaries in the supply chain.

125. (B) P-3, Q-1, R-4, S-2
AGMARK is a certification for quality standards, while capital formation refers to changes in an economy's capital stock. The irrigation scheme aims for investment convergence, and the crop insurance program provides a safety net against harvest failure. These key terms and initiatives represent the various tools and concepts used to drive development and manage risks in the country's rural and agricultural sectors.

for developing nations is the high protectionism still practiced by some developed countries. Because of its specific economic situation, India has had certain exemptions regarding minimum market access, though the overall goal remains a more open global trading system.

76. (A) Both (A) and (R) are true, and (R) is the correct explanation of (A).
The price spread, which is the difference between the price paid by the consumer and the price received by the producer, is often wide for agricultural goods. This is largely because most farm products are bulky and difficult to handle. The resulting high costs for transportation and storage add significant expenses to the marketing process, leading to a larger gap in final pricing.

77. (A) (IV), (III), (I), (II)
The release of the Model APMC Act in two thousand and three was a major early reform, followed by the enactment of the warehouse regulation act in two thousand and seven. Later, the Legal Metrology Act established new standards for weights and measures. Finally, the launch of the electronic National Agricultural Market in twenty-sixteen represents the most recent major technological advancement in the country's marketing infrastructure.

78. (B) 2477
The number of regulated markets in the country has grown significantly from just a few hundred in the mid-twentieth century to several thousand today. Current data indicates that there are approximately two thousand four hundred and seventy-seven principal regulated markets. These regulated areas are designed to provide a fair and transparent environment for the trade of agricultural commodities, protecting farmers from various traditional malpractices.

79. (B) The Warehousing (Development and Regulation) Bill 2007 was rejected and never passed into law.
The Warehousing (Development and Regulation) Bill of two thousand and seven was successfully passed and became law, introducing negotiable warehouse receipts to the agricultural sector. Other reforms include amending the Essential Commodities Act and enforcing food safety standards through surveillance. These measures are part of an ongoing effort by the government to modernize and regulate the agricultural marketplace more effectively for all participants.

80. (D) P-4, Q-1, R-2, S-3
Deficiencies in the marketing system include a lack of intelligence, where farmers rely on middlemen for information, and various malpractices such as arbitrary charges. The absence of grading facilities leaves producers vulnerable to exploitation, while capacity building deficits involve infrastructural and control handicaps. Addressing these issues is essential for creating a more equitable and efficient market for agricultural produce in rural districts.

81. (C) A global consensus was reached in 2015 to permanently remove the subsidy threshold.
In international trade negotiations, a permanent global consensus to remove the ten percent subsidy threshold has not been reached. While developing countries like India have proposed exemptions for food security programs to protect their small-scale producers, the original limits generally remain in place. These thresholds are designed to prevent market distortions while allowing some level of support for low-income or resource-poor farmers.

82. (A) They serve small cultivators who sell surplus to local dealers due to transport costs.
Village markets are characterized by small-scale transactions where cultivators sell their surplus to local dealers or moneylenders. These sales often occur in the village itself due to the high costs and difficulties associated with transporting small quantities of produce to larger centers. Such markets are informal and lack the regulation and infrastructure found in the more established principal market yards.

83. (D) A long chain of middlemen drastically reduces the farmer's share of consumer price.
The existence of a long chain of intermediaries between the farm and the consumer significantly reduces the share of the final price that actually reaches the farmer. In many cases, especially for perishable goods like fruits and vegetables, marketing costs and middlemen margins take up a large portion of the consumer's expenditure.

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Corporation (ARDC) - Primarily a refinancing agency to make available term credit for agricultural development

(D) Marginal Farmers and Agricultural Labourers Projects (MFAL) - Ensure availability of agricultural inputs, services and credit

Oct/Nov 2025

6. Which of the following is NOT an activity supported by NABARD under the Micro Finance initiatives, specifically the SHG Bank Linkage Program?

(A) Linking rural women with banks for savings and credit.

(B) Forcing the conversion of all Self Help Groups into Joint Liability Groups for corporate lending.

(C) Implementing Project E Shakti to provide a digital end-to-end solution for SHGs.

(D) Empowering rural poor through a savings led, women-centric, door-step microfinance program.

May/June 2012

7. The institutional credit system for the rural sector in India started to emphasize thrift and mutual help. The subsequent introduction of commercial banks and Regional Rural Banks (RRBs) alongside cooperative credit institutions created a healthy competition framework. This specific institutional structure is known as:

(A) Monopolistic agency approach

(B) Multi-agency approach

(C) Unified credit approach

(D) Integrated banking approach

Oct/Nov 2014

8. Which of the following statements correctly identifies the culmination of the MFAL activities?

(A) MFAL was merged directly into the Agricultural Refinance Corporation to streamline specialized financial assistance in 1975.

(B) MFAL merged with SFDA in 1974-75, and these activities were subsequently merged with the Integrated Rural Development Program in 1980.

(C) MFAL was upgraded into an independent development bank under the umbrella of RBI to monitor rural credit systems in 1981.

(D) MFAL activities were absorbed by the Lead Bank Scheme and managed through District Consultative Committees at local levels.

May/June 2019

9. Match the specific funds or programs managed by NABARD in List I with their corresponding objectives or characteristics in List II:

List I: (Fund/Program)

P. Producer Organizations Development Fund (PODF)

Q. Tribal Development Fund (TDF)

R. Umbrella Program for Natural Resource Management (UPNRM)

S. Financial Inclusion Fund (FIF)

List II: (Objective/Characteristic)

1. Implemented in collaboration with KfW and GIZ for community-based NRM projects.
2. Formed to enhance technological absorption capacity and address issues due to lack of awareness.
3. Created from operating surplus with an enhanced corpus of ₹ 100 crore to facilitate credit and capacity building.
4. Extends financial assistance in the form of grants to support setting up of small orchards (wadi).

(A) P-3, Q-4, R-1, S-2

(B) P-1, Q-2, R-3, S-4

(C) P-4, Q-3, R-2, S-1

(D) P-3, Q-1, R-4, S-2

Oct/Nov 2006

10. Based on the successive surveys of the National Sample Survey Organization (NSSO), which of the following represents the most appropriate conclusion regarding the share of banks in the debt of rural households?

(A) Continuous decline in the share of banks in rural household debt since 1951.

(B) Banks have completely eliminated money lenders as a source of credit for households.

(C) Share rose from 1951, fell between 1991 and 2003, and is expected to revive now.

(D) Share remained stagnant until NABARD's formation, which then achieved total coverage.

May/June 2021

11. Under Section 25 of the NABARD Act, 1981, NABARD may provide financial assistance by way of refinance to a State Cooperative

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2. DCC
3. BLBC
4. DLRC

(A) P-3, Q-4, R-2, S-1
(B) P-4, Q-2, R-3, S-1
(C) P-1, Q-3, R-2, S-4
(D) P-3, Q-1, R-4, S-2

May/June 2008

35. Read the given assertion and reason and select the correct option:
Assertion (A): The Lead Banks are required to ensure the presence of public representatives like MPs/MLAs in the District Level Review Committee (DLRC) meetings as far as possible.
Reason (R): DLRC is a forum to review the pace and quality of the implementation of various programs under the Lead Bank Scheme, and the association of non-officials is considered useful.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2013

36. Which of the following is NOT an action specified for Special Sub-Committees (SSCs) established in districts with a CD Ratio of less than 40%?
(A) Take over the credit disbursement operations directly from all operating commercial banks in the district.
(B) Draw up Monitorable Action Plans (MAPs) for improving the CD Ratio on a self-set graduated basis.
(C) Hold a special meeting immediately after its constitution to set a definite time frame to achieve a CD Ratio of more than 60%.
(D) Report the progress on the implementation of the plan to the DCC on a quarterly basis.

May/June 2015

37. Read the given assertion and reason and select the correct option:
Assertion (A): The Board of Supervision for StCBs, DCCBs, and RRBs was set up as an external autonomous body independent of NABARD.
Reason (R): The OSS facilitates NABARD to review the financials of the supervised institutions in between two inspections and provide warning signals.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2012

38. Which of the following statements is correct regarding the preparation of the District Credit Plan (DCP)?
(A) The DCP is formulated entirely by the State Government without any significant inputs from the Lead Bank or RBI.
(B) The Block Credit Plans are aggregated by the District Collector to form the District Credit Plan for submission.
(C) The District Credit Plan is eventually aggregated into a National Level Credit Plan bypassing the State Level SLBC.
(D) The DCP assesses the credit needs of the district to be deployed by all financial institutions operating there.

May/June 2011

39. Read the following scenario and answer the question that follows:
The Lead District Manager (LDM) of a specific district needs to formulate a comprehensive credit map. The LDM gathers all the Block Credit Plans (BCPs) prepared by various branch managers. After reviewing them, the LDM aggregates these BCPs to form a higher-level plan.
Based on the procedural aspects of the Lead Bank Scheme, what is this aggregated plan called, and before which forum is it subsequently placed for final acceptance/approval?
(A) State Level Credit Plan; placed before SLBC
(B) Potential Linked Credit Plan; placed before NABARD
(C) Annual Action Plan; placed before BLBC
(D) District Credit Plan; placed before the DCC

Oct/Nov 2020

40. Regarding the functions of Lead District Managers (LDMs), which of the following

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Oct/Nov 2007

18. Which of the following was NOT an explicit purpose for the utilization of the National Agricultural Credit (Long Term Operations) Fund established in 1956?

(A) Providing direct financial relief to farmers for converting short-term loans into medium-term ones during natural calamities.

(B) Grant of long-term loans to State Governments to subscribe to the share capital of various cooperative credit institutions.

(C) Grant of medium-term loans to State Cooperative Banks for the purpose of meeting regional agricultural credit requirements.

(D) Loans to State Land Development Banks for periods not exceeding 20 years by way of direct loans or purchase of debentures.

May/June 2025

19. The NABARD Infrastructure Development Assistance (NIDA) program was designed by NABARD to fund projects for agriculture infrastructure, rural connectivity, and renewable energy. Conceptually, what specific constraint of State Governments does NIDA address through its financing model?

(A) It eliminates the need for State Governments to execute PPP projects by providing full central funding for rural works.

(B) It allows for exclusive financing of urban corporate entities involved in large scale heavy industrial development.

(C) It transfers the ownership and maintenance of state infrastructure directly to NABARD upon completion of the project.

(D) It offers scope for off-budget and on-budget borrowing, aiding in easing various State budget constraints.

Oct/Nov 2019

20. The National Agricultural Credit (Stabilization) Fund was created in 1956 to provide relief to farmers by converting short term loans into medium term loans during natural calamities. What was the initial contribution to the National Agricultural Credit (Long Term Operations) Fund established alongside it?

(A) ₹ 5 crore

(B) ₹ 10 crore

(C) ₹ 50 crore

(D) ₹ 100 crore

May/June 2009

21. Under Section 22 of the NABARD Act, 1981, NABARD may provide financial assistance by rescheduling loans and advances. What is the most appropriate condition under which this specific provision is invoked?

(A) When institutions require funding for projects spanning exactly 25 years.

(B) For extending the tenure of short-term loans exclusively for large-scale corporate agricultural firms.

(C) Owing to drought, famine, military operations, enemy action, or other natural calamities.

(D) When the State Government defaults on its contribution to the share capital of cooperative credit institutions.

Oct/Nov 2011

22. Which of the following statements correctly describes the mandate of the Agricultural Credit Department (ACD) set up by the Reserve Bank of India in the year 1935?

(A) It was established exclusively to provide long-term direct loans to individual farmers for diverse agricultural operations.

(B) It coordinated the Bank's operations regarding agricultural credit and its formal relations with State Cooperative Banks.

(C) It was designed to replace the cooperative credit societies and act as the sole specialized lending agency in rural areas.

(D) It was responsible for regulating and supervising all commercial bank branches located in rural and semi-urban areas.

May/June 2010

23. Identify the correct pair regarding the Reserve Bank of India's revised guidelines (May 2017) for opening of bank branches:

(A) Unbanked Rural Centre (URC) - A rural centre belonging to Tier 1 and 2 that does not have a core banking solution-enabled banking outlet.

(B) Business Correspondents model - RBI strictly requires the BC touch-point to be within a 30 km radius of the bank branch.

(C) For-profit NBFCs - They are explicitly prohibited from working as Business Correspondents to further inclusion efforts.

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Agriculture and Rural Development Bank (SCARDB) or a scheduled Commercial Bank. What is the maximum period for which any such loan or advance may be granted, originally or by rescheduling?
(A) 18 months
(B) 7 years
(C) 20 years
(D) 25 years

Oct/Nov 2010

12. In the period 2014-2015, the Government of India and the Reserve Bank of India recognized the need for furthering financial inclusion by providing savings vehicles primarily to unserved and underserved sections of the population. This specific realization led to the conceptualization and setting up of which of the following entities?
(A) Regional Rural Banks
(B) Payments Banks
(C) Small Finance Banks
(D) Microfinance Institutions

May/June 2005

13. Under Section 21(1) of the NABARD Act, 1981, NABARD provides refinance for agricultural operations and marketing. Which of the following is an EXCEPTION to the standard maximum tenure of eighteen months for such assistance?
(A) The assistance is granted to State Cooperative Banks, RRBs, or approved financial institutions.
(B) The period for repayment of the provided assistance must not exceed a duration of eighteen months.
(C) The loans are repayable on demand or upon the expiry of fixed periods specified at the time of the grant.
(D) The assistance is provided by way of rescheduling short-term loans into medium-term loans for up to seven years under Section 22.

Oct/Nov 2022

14. Read the following statements regarding the entry of commercial banks into rural finance:
I. The concept of priority sector lending was introduced in the year 1967.
II. Guidelines for the indirect financing of agriculture by commercial banks through primary agricultural credit societies were issued in 1970.
III. The Differential Rate of Interest Scheme (DRI) was introduced in 1978 to provide credit to small and marginal farmers.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

NODIA

May/June 2018

15. Identify the incorrect statement regarding the supervisory functions of NABARD:
(A) NABARD conducts statutory inspection of State Cooperative Banks (StCBs) and District Central Cooperative Banks (DCCBs).
(B) The statutory inspection is carried out under Section 35 of the Banking Regulation Act, 1949.
(C) An Off-site Surveillance System (OSS) has been introduced by NABARD to provide warning signals to the banks.
(D) NABARD strictly avoids undertaking voluntary inspections of State Cooperative Agriculture and Rural Development Banks (SCARDBs).

Oct/Nov 2016

16. In which year were the Regional Rural Banks (RRBs) established in select areas with an exclusive focus on small and marginal farmers?
(A) 1967
(B) 1969
(C) 1975
(D) 1982

May/June 2014

17. Read the following statements regarding the functions of NABARD:
I. NABARD evaluates, monitors, and inspects the client banks as part of its mandate for promoting institutional development.
II. NABARD has been entrusted with the responsibility of statutory inspection of only the Regional Rural Banks, while RBI continues to inspect Cooperative Banks.
Which of the above statement(s) is/are correct?
(A) Only Statement I is true
(B) Only Statement II is true
(C) Both Statements I and II are true
(D) Neither Statement I nor II is true

II. Establishment of the Agricultural Refinance Corporation
III. Formation of the Committee to Review Arrangements for Institutional Credit for Agriculture and Rural Development (CRAFICARD)
IV. Launch of the Service Area Approach (SAA)
Select the correct sequence from the options below:
(A) II, I, III, IV
(B) II, III, I, IV
(C) II, III, I, IV
(D) III, II, I, IV

Oct/Nov 2021

30. Read the following statements regarding the regulatory role of RBI over cooperatives:
I. Prior to NABARD's formation, RBI played an important role including provision of finance, promotional activities, and regulatory functions.
II. RBI's regulatory functions represented the qualitative aspects of its role.
III. After NABARD's establishment, powers relating to statutory inspections of primary cooperative banks (urban cooperative banks) were transferred to NABARD.
IV. NABARD was empowered by an amendment of the Banking Regulation Act to inspect cooperative banks without prejudice to RBI's powers.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

May/June 2024

31. Identify the incorrect statement regarding the fora under the Lead Bank Scheme:
(A) The Block Level Bankers' Committee (BLBC) is a forum for achieving coordination between credit institutions and field level development agencies at the block level.
(B) The District Consultative Committee (DCC) meetings are generally convened by the Lead Banks at quarterly intervals.
(C) The Lead District Manager (LDM) is designated as the Chairman of the State Level Bankers' Committee.
(D) The District Collector is designated as the Chairman of the District Consultative Committee.

Oct/Nov 2008

32. Regarding the monitoring of the Lead Bank Scheme by RBI through the Management Information System (MIS), which of the following is the most appropriate statement?
(A) Bank loans to Micro/Small Enterprises qualify under the priority sector up to a strict financial limit of ₹ 1 crore.
(B) Bank loans to Micro/Small Enterprises qualify under the priority sector without any credit cap, per MSMED Act, 2006.
(C) The reporting statement for ACP target is LBS-MIS-III which captures the achievement against various set targets.
(D) SLBC Convenor Banks must compile LBS-MIS data manually using physical ledgers to ensure maximum data accuracy.

May/June 2006

33. Read the following statements regarding the institutional development functions of NABARD:
I. Policy support is provided to GOI/State Governments and rural cooperative banks.
II. Knowledge sharing support comes from the Centre for Professional Excellence in Cooperatives (C-PEC) Lucknow.
III. NABARD has drawn up special programs for rural credit cooperatives in the North Eastern Region, including Sikkim, Jammu & Kashmir, and Andaman and Nicobar Islands.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2017

34. Match the levels under the Lead Bank Scheme in List I with the corresponding committee responsible for reviewing the performance of credit plans in List II:
List I: (Level)
P. Block Level
Q. District Level (Operational/Review)
R. District Level (Consultative)
S. State Level
List II: (Committee)
1. SLBC

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(D) The National Strategy for Financial Inclusion (NSFI) 2019-2024 aims to provide universal access to financial services within a 5 KM radius/hamlet of 500 households.

Oct/Nov 2018

46. An agricultural cooperative bank in a drought-prone district has observed that due to unforeseen circumstances, artisans and micro-enterprises are unable to repay their loans. The bank applies for rescheduling of these loans under the provisions managed by NABARD. Under which specific section of the NABARD Act, 1981, and for what maximum duration, can NABARD provide financial assistance for this rescheduling?
(A) Section 21(1); maximum eighteen months
(B) Section 23; maximum seven years
(C) Section 24; maximum eighteen months
(D) Section 25; maximum twenty-five years

May/June 2007

47. Read the following statements regarding the Yearly Calendar of Meetings for SLBC/UTLBC:
I. The calendar of programs should clearly specify the cut off dates for data submission to SLBC.
II. The reminder regarding the exact date of meeting should be issued 15 days before the end of the quarter.
III. The deadline for receipt of information/ data by the SLBC Convenor Bank is 15 days from the end of the quarter.
IV. The minutes of the meeting must be forwarded to all stakeholders within 30 days from holding the meeting.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, and IV only

Oct/Nov 2025

48. Which of the following is NOT an area that should be invariably discussed in the District Consultative Committee (DCC) fora?
(A) Review of progress under the financial inclusion plan (FIP).
(B) Sanctioning of major corporate infrastructure loans exceeding ₹ 500 crore.
(C) Flow of credit to the priority sector and weaker sections of the society.
(D) Doubling of Farmers' Income by Year-2022.

May/June 2012

49. Conceptually, why has RBI advised banks to group data pertaining to scheduled commercial banks into public sector banks, private sector banks, RRBs, SFBs, and WOS of Foreign Banks during DCC/SLBC meetings?
(A) To know the bank group-wise position and maintain data consistency with the All-India data of scheduled commercial banks.
(B) To eventually merge all these individual entities into a single unified national banking entity for rural credit.
(C) To penalize private sector banks for non-compliance with the priority sector lending targets at the state level.
(D) To ensure that Regional Rural Banks only lend to their sponsor banks to maintain institutional financial stability.

Oct/Nov 2014

50. Which of the following best defines the role of the Centre for Professional Excellence in Cooperatives (C-PEC) Lucknow under NABARD's initiatives?
(A) An institution focused on providing direct term loans to individual farmers for agricultural diversification projects.
(B) An apex body replacing the State Cooperative Banks to manage the entire cooperative credit structure of India.
(C) An establishment providing knowledge sharing support for the institutional development efforts for cooperatives.
(D) A regulatory authority empowered by the Reserve Bank of India to liquidate non-performing Regional Rural Banks.

May/June 2019

51. Regarding the implementation of the Expert Group's recommendations on CD Ratio, what is the most appropriate step expected from the District Administration and the Lead Bank in districts with a CD Ratio of less than 20%?
(A) Liquidate all bank branches in the district to prevent further asset deterioration and capital erosion for the banks.
(B) The responsibility for agricultural credit is transferred entirely to NABARD for direct lending to individual farmers.
(C) The CD ratio monitoring in such districts

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represents the most appropriate role expected from them apart from convening periodic meetings?
(A) Dictating the internal HR policies and transfer postings of all commercial banks operating within the district.
(B) Directly sanctioning priority sector loans on behalf of other commercial banks to meet monthly district targets.
(C) Undertaking statutory audits of the State Cooperative Banks and Regional Rural Banks under the Banking Regulation Act.
(D) Holding annual sensitization workshops for banks and Government officials with participation by NGOs and local institutions.

May/June 2022

41. During a branch credit plan preparation, a branch manager notes that loans provided by the bank to medium enterprises under the MSME Sector (Services) are subject to a specific loan limit for classification under priority sector. What is the applicable loan limit per borrower for medium enterprises to qualify under priority sector lending without considering the MSMED Act 2006 investment definition?
(A) ₹ 2 crore
(B) ₹ 5 crore
(C) ₹ 10 crore
(D) There is no credit cap

Oct/Nov 2023

42. A District Central Cooperative Bank (DCCB) requires an additional line of finance to raise resources other than from the State Cooperative Bank (StCB) to which it is federated. Conceptually, which specific NABARD facility has been conceived to address this need?
(A) NABARD Infrastructure Development Assistance (NIDA) for large scale state projects.
(B) Cooperative Development Fund (CDF) to strengthen the resource base of cooperative institutions.
(C) Direct refinance assistance to DCCBs for providing short term multipurpose credit to rural borrowers.
(D) National Rural Credit (Long Term Operations) Fund for subscribing to the share capital of banks.

May/June 2016

43. Which of the following is NOT typically a part of the agenda considered by the SLBC for discussion?
(A) Review of the financial inclusion initiatives and expansion of the banking network.
(B) Micro-management of the internal transfer postings of bank staff within the State.
(C) Flow of credit to MSMEs and affordable housing.
(D) Review of districts with a CD Ratio below 40%.

Oct/Nov 2009

44. Read the following statements concerning the functioning of the State Level Bankers' Committee (SLBC):
I. It is an apex inter-institutional forum to create adequate coordination machinery in all States on a uniform basis.
II. It is co-chaired by the Additional Chief Secretary or Development Commissioner of the State concerned.
III. The State Chief Ministers are encouraged to attend at least one SLBC meeting in a year.
IV. A Steering Sub-committee may be constituted in the SLBC to deliberate on agenda proposals and finalise a compact agenda.
V. SLBC meetings must be held exclusively on an annual basis to match the Annual Credit Plan.
Which of the above statement(s) is/are correct?
(A) I, II, III, and IV only
(B) I, III, IV, and V only
(C) II, III, IV, and V only
(D) I, II, IV, and V only

May/June 2023

45. Identify the incorrect statement regarding the roadmap for providing banking services in unbanked villages:
(A) A roadmap to provide banking services in villages with a population of more than 2000 was rolled out by RBI in November 2009.
(B) In June 2012, guidelines were issued to provide banking services in unbanked villages with less than 2000 population.
(C) SLBC Convenor Banks were advised to prioritize opening purely digital branches without any brick and mortar setup in villages with a population above 5000.

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(D) Mandated branch opening in URCs - Banks are mandated to open 25% of their outlets in unbanked rural centres.

Oct/Nov 2024

24. Read the following statements regarding the subsidiaries promoted by NABARD:

I. NABCONS offers consultancy services in the arena of agriculture and rural development.
II. NABFINS and NABSAMRUDDHI provide credit for promotion, expansion, and commercialization of enterprises.
III. NABVENTURES Ltd manages venture growth equity funds that invest in early to mid-stage start-ups.
IV. NAB Foundation is exclusively focused on formulating regulatory policies for urban microfinance institutions.
V. The subsidiaries collectively aim to promote agriculture and rural development through innovative projects and collaborations.

Which of the above statement(s) is/are correct?

(A) I, II, III, and V only
(B) I, II, IV, and V only
(C) II, III, IV, and V only
(D) I, III, IV, and V only

May/June 2017

25. Identify the incorrect statement regarding the formation of the National Bank for Agriculture and Rural Development (NABARD):

(A) The CRAFICARD committee was chaired by Shri B. Sivaraman, a former member of the Planning Commission.
(B) NABARD came into existence on 12 July 1982, by transferring the agricultural credit functions of RBI and ARDC.
(C) NABARD was established under the overall guidance and supervision of the State Bank of India.
(D) RBI continued to regulate cooperative banks in the Short-Term Cooperative Credit Structure and RRBs even after NABARD's formation.

Oct/Nov 2005

26. Read the following statements regarding the rural financial institutions set up:

I. Cooperative credit institutions, commercial banks, regional rural banks, and small finance banks receive active support from Governments and the Reserve Bank.
II. While RBI provides refinance support to these institutions, NABARD and SIDBI provide overall guidance for their efficient functioning.

Which of the above statement(s) is/are correct?

(A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statements I and II are correct
(D) Neither Statement I nor II is correct

May/June 2020

27. Which of the following statements correctly represents NABARD's initiative regarding the Primary Agricultural Credit Societies (PACS)?

(A) NABARD extends financial support to develop PACS as Multi Service Centres to serve as a 'one stop shop' for farmers.
(B) NABARD has mandated the merger of all individual PACS into a single national-level cooperative entity for governance.
(C) NABARD restricts PACS from establishing agro-service or processing centres to prevent competition with commercial banks.
(D) NABARD directly operates, manages, and owns all the newly established Primary Agricultural Credit Societies in the country.

Oct/Nov 2015

28. Match the institutions or programs in List I with the corresponding year of their establishment or launch in List II:

List I: (Institution/Program)

P. State Bank of India
Q. Agricultural Refinance Corporation (ARC)
R. Rural Electrification Corporation (REC)
S. Credit Guarantee Corporation

List II: (Year)

1. 1969
2. 1971
3. 1955
4. 1963

(A) P-3, Q-4, R-1, S-2
(B) P-1, Q-4, R-3, S-2
(C) P-4, Q-3, R-2, S-1
(D) P-3, Q-1, R-4, S-2

May/June 2013

29. Arrange the following initiatives related to the Rural Financial Institutions in the correct chronological order of their introduction/ establishment:

I. Introduction of the Lead Bank Scheme

NODIA

is suspended until the macro-economic conditions in the state improve significantly.
(D) Districts should be "adopted" jointly by the District Administration and Lead Bank to create an enabling environment.

Oct/Nov 2006

52. Which of the following statements is correct regarding the genesis of the Lead Bank Scheme?
(A) The scheme was introduced based on the specific recommendations of the All-India Rural Credit Review Committee in 1969.
(B) The Nariman Committee explicitly recommended that all public sector banks merge to form a single national Lead Bank.
(C) The scheme aimed to decrease the flow of bank finance to the priority sector by transferring responsibility to the state.
(D) The Gadgil Study Group recommended an 'Area Approach' to evolve plans for development of adequate banking in rural areas.

May/June 2021

53. Identify the correct pair regarding the fora under the Lead Bank Scheme and their mandated participation:
(A) Block Level Bankers' Committee (BLBC) - Exclusively attended by the Reserve Bank of India executives without local bank participation.
(B) District Consultative Committee (DCC) - Meetings are strictly prohibited from forming any sub-committees to resolve operational issues.
(C) District Level Review Committee (DLRC) - Public Representatives i.e., Local MPs/ MLAs/Zilla Parishad Chiefs are invited to these meetings.
(D) State Level Bankers' Committee (SLBC) - Only public sector banks are allowed to participate, excluding all private banks.

Oct/Nov 2010

54. Read the following statements regarding the 'Data Feeding' process under the revised mechanism of data flow for LBS Fora:
I. Each bank's CBS should have a provision to generate a report pertaining to all LBS related data directly to Excel.
II. The data feeding process involves uploading this Excel file on the SLBC websites.
III. The system mandates that LDMs must manually enter all data into the SLBC website field by field to ensure accuracy.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2005

55. Identify the incorrect statement regarding the preparation of Potential Linked Credit Plans (PLPs):
(A) A pre-PLP meeting is convened by the Lead District Manager during June every year to outline major information requirements.
(B) PLPs map the existing potential for development through bank credit, taking into account long-term physical potential and infrastructure support.
(C) The preparation of PLP for the next year is to be completed by August every year.
(D) The plans emphasize the promotion of sustainable agricultural practices and farmer producer organizations.

Oct/Nov 2022

56. Read the following statements about the climate change program initiatives of NABARD:
I. NABARD acts as a National Implementing Entity for three important funding arrangements.
II. The funding arrangements include the Adaptation Fund, National Adaptation Fund for Climate Change, and Green Climate Fund.
III. The primary goal is to channelize international private finances exclusively for urban industrial mitigation.
IV. By March 2020, NABARD participated in 40 climate adaptation and mitigation projects.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

May/June 2018

57. Which of the following statements correctly identifies the status of the Lead Bank responsibility assignment as of June 30, 2020?
(A) 12 public sector banks and one private

sector bank have been assigned Lead Bank responsibility in 726 districts.
(B) Lead Bank responsibility is assigned exclusively to State Cooperative Banks across all districts in the country.
(C) The Lead Bank Scheme has been restricted solely to rural districts, excluding metropolitan areas from its purview.
(D) NABARD directly assumes Lead Bank responsibility in districts where the CD ratio falls below a 20% threshold.

Oct/Nov 2016

58. Match the committees or fora under the Lead Bank Scheme in List I with their respective Chairperson or Convenor in List II:
List I: (Committee/Forum)
P. Block Level Bankers' Committee (BLBC)
Q. District Consultative Committee (DCC)
R. District Level Review Committee (DLRC)
S. State Level Bankers' Committee (SLBC)
List II: (Chairperson/Convenor)
1. Chaired by the District Collector
2. Chaired by the Lead District Manager (LDM)
3. Chaired by CMD/ED of the Convenor Bank
4. Convened by the Lead District Manager (LDM)
(A) P-2, Q-4, R-1, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-3, Q-1, R-4, S-2

May/June 2014

59. Read the given assertion and reason and select the correct option:
Assertion (A): There is a need for developing a standardized system to enable uploading and downloading of LBS related data in the website maintained by the SLBC.
Reason (R): A significant portion of the data for LBS fora discussions is manually compiled, leading to issues with integrity and timeliness.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2007

60. Read the following statements regarding the Annual Calendar of District Level Committee Meetings:
I. Lead Banks have been advised to prepare an Annual Schedule of DCC and DLRC on a Calendar year basis for all districts.
II. The calendar must ensure that DCC and DLRC meetings are held simultaneously on the same day to save time.
Which of the above statement(s) is/are correct?
(A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statements I and II are correct
(D) Neither Statement I nor II is correct

May/June 2025

61. Identify the incorrect statement regarding the responsibilities of the Special Sub-Committees (SSCs) for CD Ratio monitoring:
(A) The Special Sub-Committee (SSC) for CD Ratio monitoring is convened by the Lead District Manager (LDM) of the district.
(B) The SSC includes the Lead District Officer (LDO) of RBI and the District Development Manager (DDM) of NABARD.
(C) The plans formulated by the SSC can be implemented immediately without any approval from the District Consultative Committee.
(D) The SSC must set a target for increasing the CD Ratio with the goal of achieving more than 60% in annual increments.

Oct/Nov 2019

62. The Reserve Bank of India, based on the Usha Thorat Committee recommendations, envisages a greater role for which of the following entities in the implementation of the Lead Bank Scheme?
(A) Private Sector Banks
(B) Only Regional Rural Banks
(C) Only Public Sector Banks
(D) Microfinance Institutions exclusively

May/June 2009

63. Read the following statements regarding the Direct Benefit Transfer (DBT) rollout:
I. DBT was rolled out by the Government of India in selected districts in January 2013.
II. To implement DBT, banks were advised to include it as a regular agenda item in SLBC

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meetings.

III. A prerequisite to the implementation of the DBT is that every eligible individual should have a bank account.

IV. Banks were advised to closely monitor the progress in seeding of Aadhaar numbers with bank accounts.

V. To redress grievances related to Aadhaar seeding, a Complaint Grievance Redressal Officer must be nominated at the national level only.

Which of the above statement(s) is/are correct?

(A) I, II, III, and IV only
(B) I, III, IV, and V only
(C) II, III, IV, and V only
(D) I, II, III, and V only

Oct/Nov 2011

64. What is the minimum target percentage for the Credit Deposit (CD) Ratio that banks are advised to achieve in respect of their rural and semi-urban branches separately on an All-India basis?

(A) 20%
(B) 40%
(C) 50%
(D) 60%

May/June 2010

65. A specific district located in a hilly, inaccessible terrain shows a Credit Deposit (CD) ratio of 15%. Since conventional banking expansion methods are failing due to the breakdown of law-and-order machinery, what specific structural intervention is mandated under the Lead Bank Scheme guidelines for such districts?

(A) The district must be "adopted" jointly by the District Administration and the Lead Bank, placing it in a special category.
(B) The district should be excluded from the Lead Bank Scheme completely to focus resources on more viable regions.
(C) The SLBC should automatically transfer the unutilized deposits to the State Government treasury for public spending.
(D) The LDM should invoke Section 22 of the NABARD Act to reschedule all existing loans for the entire district.

Oct/Nov 2024

66. Which of the following activities is NOT an initiative falling under the Umbrella Program for Natural Resource Management (UPNRM) supported by NABARD?

(A) Wholesale funding for establishing large scale heavy chemical industries in urban zones for industrial growth.
(B) System of Rice Intensification (SRI) to improve the yield and water efficiency of traditional rice cultivation.
(C) Ecotourism and sustainable agriculture practices aimed at preserving the local biodiversity of rural ecosystems.
(D) Cultivation of medicinal plants with primary processing facilities to enhance the income of local tribal groups.

NODIA

May/June 2017

67. Read the given assertion and reason and select the correct option:

Assertion (A): The Service Area Approach (SAA) scheme was reviewed in December 2004, and it was decided to dispense with the restrictive provisions of the scheme.

Reason (R): Dispensing with the restrictive provisions meant that commercial banks and RRBs were free to lend in any rural and semi-urban area, allowing borrowers the choice of approaching any branch.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2005

68. Which of the following statements correctly details the strategy to achieve the goal of doubling farmers' income by the year 2022?

(A) Ensuring investments in warehousing and cold chains to prevent post-harvest crop losses and promoting ancillary activities.
(B) Exclusively focusing on small-scale subsistence farming while discouraging value addition at the local farmer level.
(C) Dismantling the crop insurance scheme to force farmers into adopting market-based hedging for their agricultural output.
(D) Prohibiting the creation of a national farm market to protect the interests of local mandis and middlemen.

Credit Information Companies and obtain a self-declaration from the borrower.

May/June 2011

81. Regarding the monitoring of CD ratio, what is the most appropriate action for the Controlling Offices of the banks if the CD ratio in a particular district falls below 40%?
(A) To ignore the data as long as the overall state-level ratio remains comfortably above the 60% benchmark.
(B) To cease all deposit mobilization activities in that district until the credit absorption capacity increases.
(C) To instruct their branches to adopt the Monitorable Action Plans drawn up by the Special Sub-Committees.
(D) To transfer all agricultural accounts to NABARD immediately for direct monitoring and specialized recovery.

Oct/Nov 2020

82. Which of the following statements correctly details the strategy to achieve the goal of doubling farmers' income by the year 2022?
(A) Ensuring investments in warehousing and cold chains to prevent post-harvest crop losses and promoting ancillary activities.
(B) Exclusively focusing on small-scale subsistence farming while discouraging value addition at the local farmer level.
(C) Dismantling the crop insurance scheme to force farmers into adopting market-based hedging for their agricultural output.
(D) Prohibiting the creation of a national farm market to protect the interests of local mandis and middlemen.

May/June 2022

83. Read the given assertion and reason and select the correct option:
Assertion (A): It was decided to focus on villages with a population above 5000 without a bank branch to open brick-and-mortar branches of scheduled commercial banks.
Reason (R): Brick-and-mortar branches provide quality financial services, timely support to Business Correspondent (BC) outlets, and ensure close supervision of BC operations.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2023

84. Read the following statements regarding the activities to expand the digital payments ecosystem:
I. The target is to make the identified district 100% digitally enabled within a period of one year.
II. SLBC/UTLBC Convenor Banks allocate the district to a bank with a significant footprint.
III. The roadmap applies only to Public Sector Banks and entirely excludes Private Sector Banks and RRBs.
IV. It aims to facilitate fully digital transactions for on-boarding merchants, traders, businesses, and utility service providers.
V. A Sub-Committee on Digital Payments should be constituted at the SLBC/UTLBC level.
Which of the above statement(s) is/are correct?
(A) I, II, IV, and V only
(B) I, III, IV, and V only
(C) II, III, IV, and V only
(D) I, II, III, and IV only

May/June 2016

85. Identify the incorrect statement regarding the Lead Bank Scheme mechanism for standardising information and data:
(A) SLBC Convenor Banks are required to maintain SLBC websites.
(B) All instructions pertaining to LBS and Government Sponsored Schemes are made available on these websites.
(C) The SLBC website serves as a closed platform accessible only to the Reserve Bank of India.
(D) The SLBCs are expected to place prescribed information on their bank websites and keep it updated.

Oct/Nov 2009

86. Read the following statements regarding the practice of dispensing with the 'No Due Certificate':
I. Banks have been advised to dispense with obtaining a 'No Due Certificate' from individual borrowers, including SHGs and

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(A) It requires Aadhaar seeding and authentication of beneficiary accounts to ensure targeted delivery of various subsidies.
(B) The branchless mode using the ICT-based BC model is utilized to make disbursements at the doorstep of the beneficiaries.
(C) Banks are strictly prohibited from displaying the names and details of business correspondents on the SLBC website.
(D) A DBT Implementation Co-ordination Committee operates at the district level to review the seeding of Aadhaar numbers.

Oct/Nov 2017

76. Identify the incorrect pair regarding the formulation and monitoring formulas of the CD Ratio at different levels:
(A) Individual Banks at Head Office Level - Indicator: Total credit as per place of utilization plus RIDF.
(B) State Level (SLBC) - Indicator: Total credit as per place of utilization plus RIDF for the State.
(C) District Level - Indicator: Total credit as per the place of sanction for that specific district.
(D) District Level - Indicator: Cu + RIDF + State Budget Subsidy

May/June 2008

77. Read the following statements regarding NABARD's promotional programs:
I. Under the Promotion of Joint Liabilities Groups, NABARD provides incentives to banks and other promoting agencies for formation and nurturing of JLGs.
II. Under the Promotion of Farmers' Clubs for Technology Transfer, support is primarily utilized to pay the agricultural income tax of the club members.
Which of the above statement(s) is/are correct?
(A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statements I and II are correct
(D) Neither Statement I nor II is correct

Oct/Nov 2013

78. Which of the following is NOT an alternative framework of due diligence recommended as a substitute for the 'No Due Certificate'?
(A) Credit history check through Credit Information Companies (CICs) to verify the current debt profile of the applicant.
(B) Self-declaration or a notarized affidavit from the borrower regarding their existing loans and repayment history.
(C) CERSAI registration and search reports to identify any prior equitable mortgage on the assets being financed.
(D) A mandatory character certificate issued directly by the District Collector to verify the applicant's standing.

May/June 2015

79. Conceptually, the primary role of the Potential Linked Credit Plans (PLPs) prepared by NABARD in the context of the Lead Bank Scheme?
(A) To act as a mandatory ceiling on the total credit a bank can disburse in a State during a financial year.
(B) To serve as a guide to credit planning by the banks for the ensuing year by presenting a holistic view of gaps.
(C) To replace the core banking solutions of individual banks with a unified nationalized rural credit ledger.
(D) To dictate the exact interest rates banks must charge for priority sector loans regardless of their cost of funds.

Oct/Nov 2012

80. Read the following scenario and answer the question that follows:
A borrower approaches a rural branch of a commercial bank for a priority sector loan. The borrower wishes to invest in agricultural machinery but already has multiple financing lines from other institutions. Under the current guidelines that dispensed with the 'No Due Certificate', the branch manager decides to use an alternative framework of due diligence.
Which of the following steps is the branch manager most likely to undertake?
(A) Demand a personal guarantee from the local MLA or a high-ranking government official to secure the credit.
(B) Request a clearance certificate from the Block Development Officer to ensure no other government subsidies are active.
(C) Reject the loan outright since the 'No Due Certificate' from the previous lender cannot be produced by the borrower.
(D) Perform a credit history check through

NODIA

promotional schemes for the development of the Off-farm sector.
(D) Gramya Vikas Nidhi has been set up as a dedicated fund for promotional programs.

Oct/Nov 2014

92. Read the following scenario and answer the question that follows:
Under the revised mechanism of Data Flow for LBS Fora Meetings, a bank is submitting its LBS-MIS data. However, some data pertaining to State Government Schemes is not available on the bank's CBS. How is this non-CBS data expected to be managed as per the Standard Operating Procedure?
(A) It should be completely ignored and excluded from all official reports submitted to the SLBC and RBI.
(B) It must be manually mailed as a physical hard copy to the Reserve Bank of India for manual processing.
(C) It must be collated at the Controlling Office and entered into the SLBC website using the provided functionalities.
(D) The State Government is forced to directly integrate their treasury with the bank's CBS for real-time reporting.

May/June 2019

93. Read the following statements about the Credit Guarantee Corporation:
I. It was set up in 1971.
II. It was established to administer a comprehensive credit guarantee scheme for loans provided by banks to individual small borrowers on a priority basis.
III. It was later known as the Deposit Insurance and Credit Guarantee Corporation.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2006

94. A State Level Bankers' Committee (SLBC) is tasked with expanding the digital payments ecosystem. They identify a specific district to pilot the initiative. Which of the following conditions represents the primary target for this identified district?
(A) Enable 50% of the businesses with digital payments over a fixed duration of five years.
(B) Ensure only the public sector banks issue credit cards to individual farmers in the district.
(C) Make the district 100% digitally enabled within a period of one year from the start date.
(D) Ban all cash transactions immediately upon the identification of the district for the pilot project.

May/June 2021

95. Match the specific plans or reports under the LBS mechanism in List I with their scope or nature in List II:
List I: (Plan/Report)
P. PLP
Q. BCP
R. DCP
S. ACP
List II: (Scope/Nature)
1. Operational business plan synchronized by branch managers for a specific block.
2. An analytical assessment aggregated at the district level for deploying funds in the new financial year.
3. Formats aligned with extant reporting guidelines on priority sector lending for the state.
4. Prepared by NABARD based on long-term physical potential and infrastructure support.
(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-3, Q-4, R-1, S-2

Oct/Nov 2010

96. During a statutory inspection of a District Central Cooperative Bank, NABARD identifies critical operational deficiencies. NABARD utilizes its Off-site Surveillance System (OSS) to monitor the bank's financials before the next inspection. Under which Act and Section is NABARD enjoined with the responsibility of carrying out this statutory inspection?
(A) Section 42 of the RBI Act, 1934 regarding cash reserves of scheduled banks.
(B) Section 35 of the Banking Regulation Act, 1949 regarding bank inspections.
(C) Section 21 of the NABARD Act, 1981 regarding short-term refinancing facilities.

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JLGs, in rural and semi-urban areas for all types of loans.

II. In place of the 'No Due Certificate', banks cannot use the Credit Information Companies (CICs) and must solely rely on physical affidavits.

Which of the above statement(s) is/are correct?

(A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statements I and II are correct
(D) Neither Statement I nor II is correct

May/June 2023

87. Which of the following statements correctly states a feature of the Differential Rate of Interest (DRI) Scheme introduced by RBI?

(A) It applies a highly penal interest rate of 18% to corporate borrowers who fail to meet priority sector targets.
(B) Under the Scheme, public sector banks lend at a concessional rate of interest of 4% to selected low-income groups.
(C) It was designed exclusively for foreign banks operating in metropolitan areas to encourage rural social investment.
(D) It restricts lending solely to the purchase of agricultural land for large scale commercial farming operations.

Oct/Nov 2018

88. Match the data flow process steps in List I with their respective descriptions or outcomes in List II as per the revised mechanism of Lead Bank Scheme fora meetings:

List I: (Process Step)

P. Data Generation
Q. Data Feeding
R. Data Standardization
S. Manual Data Entry

List II: (Description/Outcome)

1. Should be obviated at the SLBC/Controlling Office level by the automated process.
2. Generating a report pertaining to all LBS related data tables to Excel from the bank's CBS.
3. The process of uploading the downloaded Excel file on the SLBC websites.
4. Addressed by maintaining SLBC websites where all instructions and State-wise data are accessible.

(A) P-2, Q-3, R-4, S-1
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-1, R-2, S-4
(D) P-4, Q-3, R-1, S-2

May/June 2007

89. Read the given assertion and reason and select the correct option:

Assertion (A): SLBC Convenor Banks are advised to co-ordinate the activities of all banks in the State and discuss operational problems in lending with State Government officials.

Reason (R): Liaison with the State Government is necessary to extend support for banking development and achieve the objective of financial inclusion.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2025

90. Read the following statements regarding the reporting statements under the Lead Bank Scheme:

I. The reporting statement for ACP target is LBS-MIS-I.
II. The statement for disbursement and outstanding is LBS-MIS-II.
III. The statement for ACP achievement vis-à-vis ACP target is LBS-MIS-III.
IV. Banks were advised to prepare these statements in revised formats starting from the financial year 2010-2011.

Which of the above statement(s) is/are correct?

(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

May/June 2012

91. Identify the incorrect statement regarding the financing of the Off-farm sector by NABARD:

(A) Developing the off-farm sector aims to develop gainful and productive rural employment opportunities.
(B) Interventions in the off-farm sector strictly exclude activities in the tertiary sectors of the economy.
(C) NABARD has evolved several credit and

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(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2021

114. A rural bank branch requires a borrower to undergo due diligence for an agricultural loan. Since the 'No Due Certificate' is no longer required, the branch opts for CERSAI registration and peer monitoring. In what scenario would obtaining a traditional 'No Due Certificate' still be mandatory despite the general dispensation?
(A) For all rural or semi-urban credit facilities that exceed a financial threshold of ₹ 10 lakh.
(B) If the Government Sponsored Scheme itself provides for the obtention of a 'No Due Certificate'.
(C) If the borrower is an SHG or a Joint Liability Group seeking collective credit for group activities.
(D) It is never mandatory under any circumstances due to the recent total dispensation by the RBI.

May/June 2024

115. The Convenor Bank of an SLBC is finalizing the agenda for the upcoming quarterly meeting. Which of the following items represents a non-standard or irregular inclusion that should NOT typically dominate the macro-level SLBC agenda?
(A) Review of restructuring of loans in the event of a natural calamity in affected districts.
(B) Review of performance of banks under the District Credit Plan (DCP).
(C) Discussion on Market Intelligence Issues like Illegal Activities of Unincorporated Bodies.
(D) Detailed disciplinary proceedings against a specific clerk in a rural branch.

Oct/Nov 2008

116. Read the following statements regarding NABARD's support to Producer Organizations Development Fund (PODF):
I. PODF was created from NABARD's operating surplus in the year 2011.
II. The initial corpus of the PODF was ₹ 50 crore.
III. The corpus has now been enhanced to ₹ 100 crore.
IV. It provides support only for purchasing physical assets and prohibits any capacity building or market linkages.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, and IV only

May/June 2006

117. A District Collector requests the LDM to facilitate a platform where rural citizens can receive financial education and build capacity to manage businesses. According to the Lead Bank Scheme guidelines, what specific institutions should the LDM associate with banks to set up for this purpose?
(A) Primary Agricultural Credit Societies (PACS) located within the specific block boundaries.
(B) District Central Cooperative Banks and their affiliated specialized rural credit branches.
(C) Urban Cooperative Banks focusing on small traders and micro-enterprises in the region.
(D) Financial Literacy Centres and RSETI type Training Institutes to build local capacity.

Oct/Nov 2017

118. Conceptually, the aggregation of the Block Credit Plans (BCPs) forms the District Credit Plan (DCP). The corporate business targets for branches, blocks, and districts must align with which specific operational plan for ensuring implementation?
(A) Long Term Operations Plan (LTOP)
(B) Financial Inclusion Plan (FIP)
(C) State Strategy Plan (SSP)
(D) Annual Credit Plans (ACP)

May/June 2008

119. Read the given assertion and reason and select the correct option:
Assertion (A): The Service Area Approach (SAA) allocation of villages among rural and semi-urban branches was made not applicable for lending, except under Government Sponsored Schemes.
Reason (R): This modification was made to retain the positive features of SAA, like credit planning, while freeing commercial banks and RRBs to lend in any rural area without restrictive provisions.
(A) Both Assertion (A) and Reason (R) are true,

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(D) Section 17 of the State Cooperative Societies Act regarding administrative audits.

May/June 2005

97. Read the given assertion and reason and select the correct option:
Assertion (A): A pre-PLP meeting is convened by the Lead District Manager (LDM) during June every year.
Reason (R): This meeting allows banks and government agencies to reflect their views and deliberate on socio-economic developments to set priorities for inclusion in the Potential Linked Credit Plan.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2022

98. A scheduled commercial bank has identified a village with a population of 1500 that completely lacks banking services. Based on the roadmap rolled out by RBI in June 2012 for unbanked villages with less than 2000 population, the bank decides to provide services. Which of the following delivery channels can the bank utilize to meet this requirement?
(A) Business correspondents, ATMs, and mobile vans.
(B) Only permanent brick-and-mortar bank branches.
(C) Strictly large corporate banking outlets for industry.
(D) Only State Cooperative Banks and primary societies.

May/June 2018

99. Match the specific funding arrangements managed by NABARD in List I with their broad operational objectives in List II under climate change initiatives:
List I: (Funding Arrangement)
P. Adaptation Fund
Q. National Adaptation Fund for Climate Change
R. Green Climate Fund
S. Watershed Development Fund
List II: (Objective)
1. Instituted in 1999-2000 following the success of Indo-German projects in Maharashtra.
2. Channelizes international private finances towards adaptation and mitigation interventions.
3. Acts under NABARD as a National Implementing Entity for domestic climate interventions.
4. Supports projects specifically aiming at global climate adaptation funding.
(A) P-4, Q-3, R-2, S-1
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-4, R-1, S-2
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2016

100. The State Level Bankers' Committee (SLBC) of a particular state is analyzing the Credit Deposit (CD) ratio for a rural district. The total credit as per the place of sanction is ₹ 40 crore, but the total credit as per the place of utilization is ₹ 80 crore. There is no RIDF support, and total deposits are ₹ 200 crore. To calculate the precise CD Ratio Indicator for the District Level analysis as per the Expert Group's recommendation, which figure for credit should the SLBC utilize?
(A) ₹ 40 crore (Cs)
(B) ₹ 80 crore (Cu)
(C) ₹ 120 crore (Cs + Cu)
(D) ₹ 200 crore

May/June 2014

101. Conceptually, which of the following best distinguishes 'Project Monitoring' from 'Project Evaluation' within the context of rural financial services?
(A) Monitoring is a continuous review of implementation, while Evaluation determines relevance, efficiency, and impact.
(B) Monitoring is conducted only at the end of the project cycle, while Evaluation is a continuous and daily process.
(C) Monitoring is exclusively concerned with financial aspects, while Evaluation is strictly concerned with physical progress.
(D) Both are identical processes and are executed exclusively by the Reserve Bank of India for all rural projects.

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May/June 2020

69. Match the timeline expectations for SLBC operations in List I with their respective actions in List II:

List I: (Timeline)

P. Preparation of calendar of SLBC meetings
Q. Reminder for meeting and data submission
R. Forwarding minutes to all stakeholders
S. Follow-up of action points

List II: (Action)

1. 15 days before end of the quarter
2. 15th January every year
3. Within 30 days of forwarding the minutes
4. Within 10 days from holding the meeting

(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-3, Q-4, R-1, S-2

Oct/Nov 2015

70. Which of the following represents the most appropriate description of the rural (Tier 5 and 6) unbanked rural centres (URC) under the revised RBI guidelines of May 2017?

(A) A centre that has at least two ATMs but no physical banking staff to provide personalized customer service.
(B) A centre equipped solely with a post office offering basic savings accounts without any credit facilities.
(C) A centre without a CBS-enabled 'banking outlet' of a scheduled bank, SFB, payment bank, RRB, or licensed cooperative bank.
(D) A centre where the population strictly exceeds 10,000 and the residents rely primarily on local money lenders.

May/June 2013

71. Conceptually, why has the requirement of the 'No Due Certificate' dispensed with for small borrowers?

(A) To ensure hassle-free credit to all borrowers in rural and semi-urban areas by leveraging alternative due diligence.
(B) Because banks stopped offering priority sector loans entirely due to the rising non-performing assets in rural areas.
(C) Because the government decided to guarantee all retail loans unconditionally for borrowers in the bottom quintile.
(D) Because the Cooperative Banks refused to issue them, leading to a breakdown in the multi-agency credit framework.

Oct/Nov 2021

72. Conceptually, which of the following is an expected approach for banks to expand and deepen the digital payments ecosystem based on recent RBI guidelines to SLBCs/UTLBCs?

(A) Restricting digital payments exclusively to urban centers and halting POS installations in rural areas to manage risks.
(B) Identifying one district on a pilot basis to make it 100% digitally enabled within a period of one year.
(C) Migrating all customer accounts back to paper-based passbooks to ensure maximum cybersecurity for rural households.
(D) Outsourcing the entire payment ecosystem framework to unregulated third-party entities to reduce operational costs.

May/June 2024

73. Which of the following is NOT a parameter considered by the Expert Group for calculating the CD Ratio at the individual bank (Head Office) level?

(A) Credit as per place of utilization (Cu)
(B) Total Resource support provided to States under RIDF
(C) Total Deposits
(D) Credit as per place of sanction (Cs)

Oct/Nov 2008

74. Read the following statements regarding the functions of the Block Level Bankers' Committee (BLBC):

I. It reviews the implementation of the Block Credit Plan.
II. It resolves operational problems in the implementation of credit programs.
III. The representatives of the Panchayat Samitis are explicitly excluded from attending its meetings.

Which of the above statement(s) is/are correct?

(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

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May/June 2006

75. Identify the incorrect statement regarding the Direct Benefit Transfer (DBT) mechanism in rural banking:

Oct/Nov 2024

108. Which of the following is NOT a subsidiary of NABARD?
(A) SIDBI
(B) NABCONS
(C) NABSAMRUDDHI
(D) NABKISAN

May/June 2017

109. Conceptually, why does the calculation for the State Level (SLBC) CD ratio include the "Total Resource support provided to States under RIDF" (RIDF) alongside "Credit as per place of Utilization" (Cu)?
(A) To superficially inflate the CD ratio of underperforming banks to meet the regulatory minimum requirements.
(B) To account for the deposits mobilized by the State Government through its various public welfare schemes.
(C) Because RIDF funds are solely utilized to pay the salaries of bank staff and cover operational overheads.
(D) Because RIDF represents funds channeled into rural infrastructure, acting as credit deployment in the region.

Oct/Nov 2005

110. Read the following scenario and answer the question that follows:
In a severely underbanked region, District X has a CD Ratio of only 18%. The state administration points out that conventional banking methods are unviable due to inaccessible terrain.
According to the SLBC framework for districts with a CD Ratio below 20%, what is the specified collaborative action required?
(A) The district is exempted from all priority sector targets to allow banks to focus on capital preservation.
(B) The Lead District Manager is replaced by an executive from NABARD to oversee all credit disbursement activities.
(C) The district should be "adopted" jointly by the District Administration and the Lead Bank for focused development.
(D) The responsibility for all rural credit in the district is handed over to foreign banks operating in India.

May/June 2020

111. A State Government requests flexible long-term loans to fund a public-private partnership for rural drinking water infrastructure. The state is facing budget constraints and needs off-budget borrowing scope. Which specific NABARD business activity/program is best suited to provide this funding?
(A) Direct refinance assistance to DCCBs for multipurpose rural credit operations.
(B) Producer Organizations Development Fund to support collective agricultural marketing.
(C) Tribal Development Fund for sustainable livelihood projects in tribal regions.
(D) NABARD Infrastructure Development Assistance for large scale state projects.

Oct/Nov 2015

112. Which of the following statements correctly identifies the function of the Rural Planning and Credit Department of RBI post the formation of NABARD?
(A) It was entirely dissolved following the transfer of agricultural credit functions to the newly formed NABARD.
(B) It monitors rural banking, the Lead Bank Scheme, and oversees the functions of NABARD to ensure compliance.
(C) It exclusively issues direct loans to priority sector borrowers in regions where commercial banks are not present.
(D) It conducts statutory inspections of District Central Cooperative Banks to ensure their financial health and stability.

May/June 2013

113. Read the given assertion and reason and select the correct option:
Assertion (A): The Lead Bank Scheme was exclusively confined to rural and semi-urban areas and has never been expanded to metropolitan areas.
Reason (R): Bringing the entire country under the fold of the Lead Bank Scheme ensures comprehensive monitoring of financial inclusion and priority sector targets.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

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Oct/Nov 2007

102. What was the initial corpus of the Tribal Development Fund (TDF) set up by NABARD in the year 2003-2004?
(A) ₹ 10 crore
(B) ₹ 20 crore
(C) ₹ 50 crore
(D) ₹ 100 crore

May/June 2025

103. To ensure effective coordination, a Lead District Manager (LDM) is setting up the quarterly schedule. The LDM must schedule the DCC and DLRC meetings. What critical constraint must the LDM ensure regarding the timing of these two specific meetings as per the guidelines?
(A) They must be held simultaneously to maximize attendance.
(B) They must not be held simultaneously.
(C) DLRC must be held monthly while DCC is held annually.
(D) DCC should only be convened if DLRC fails to reach a quorum.

Oct/Nov 2019

104. Read the following statements regarding the conduct of SLBC meetings:
I. SLBC meetings are required to be held regularly at quarterly intervals.
II. Routine issues may be delegated to be dealt with by the sub-committee(s) of the SLBC.
III. The Sub-Committee could consist of SLBC Convenor, RBI, NABARD representatives, state government representatives, and two to three major banks.
IV. Academicians and researchers cannot be invited to SLBC meetings under any circumstances.
V. Success stories could be presented in SLBC meetings to serve as models.
Which of the above statement(s) is/are correct?
(A) I, II, III, and V only
(B) I, II, IV, and V only
(C) II, III, IV, and V only
(D) I, III, IV, and V only

May/June 2009

105. A group of farmers wishes to set up minor irrigation projects and purchase milch cattle. Their specific area-based scheme has a very small financial outlay, making it difficult for the local State Cooperative Bank to formulate a broad project. Under which section of the NABARD Act, 1981 can NABARD extend financial assistance to the bank for these specific purposes?
(A) Section 21
(B) Section 22
(C) Section 24
(D) Section 30

Oct/Nov 2011

106. Match the specific definitions provided in the context of Rural Financial Services in List I with their corresponding terms in List II:
List I: (Definition)
P. A continuous review of project implementation to ensure actions proceed according to a plan.
Q. Quantum of loan determined under crop loan system for raising crops over a unit area.
R. Proportion of loan-assets created by banks from the deposits received.
S. Covers off-farm and non-farm activities in secondary and tertiary sectors in rural areas.
List II: (Term)
1. CD Ratio
2. Project Monitoring
3. Rural Non-Farm Sector
4. Scales of Finance
(A) P-2, Q-4, R-1, S-3
(B) P-1, Q-3, R-2, S-4
(C) P-2, Q-1, R-4, S-3
(D) P-4, Q-2, R-3, S-1

May/June 2010

107. Under the initiative for Doubling Farmers' Income by Year-2022, an LDM evaluates the local agricultural profile. The region suffers from massive post-harvest crop losses and lacks value addition. Which of the following strategies explicitly mentioned in the framework should the LDM promote in the DCC?
(A) Investments in warehousing, cold chains, and promotion of food processing.
(B) Reducing the budget for irrigation.
(C) Shifting all farmers to non-farm sector activities permanently.
(D) Increasing the complexity of documentation for crop loans to prevent defaults.

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and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2013

120. A district exhibits a CD Ratio of 35%. As mandated by the Lead Bank Scheme, a Special Sub-Committee (SSC) is formed. During its first meeting, the SSC is tasked with creating a strategy. What specific document must the SSC draw up to strategically address this low CD ratio on a self-set graduated basis?
(A) Monitorable Action Plan (MAP)
(B) Potential Linked Credit Plan (PLP)
(C) National Strategy for Financial Inclusion (NSFI)
(D) Service Area Approach (SAA) Document

May/June 2015

121. Which of the following defines the process of determining systematically and objectively the relevance, efficiency, effectiveness, and impact of project activities in the light of their stated objectives?
(A) Project Execution
(B) Project Monitoring
(C) Project Formulation
(D) Project Evaluation

Oct/Nov 2012

122. To enable PACS to serve as a 'one stop shop' for meeting the various requirements of farmers, NABARD supports them in establishing agro-service, processing, storage, and information centres. This specific initiative is known as:
(A) CBS in Co-operatives initiative to modernize individual credit societies.
(B) Umbrella Program for Natural Resource Management for community-based projects.
(C) Support to develop PACS as Multi Service Centres to serve as a 'one stop shop'.
(D) Joint Liability Group Promotion scheme to encourage group lending to farmers.

May/June 2011

123. The sector that covers off-farm and non-farm activities outside agriculture and allied activities, in the secondary and tertiary sectors of the economy carried out in or primarily benefiting rural areas, is defined as:
(A) Primary Agricultural Sector
(B) Micro Finance Sector
(C) Rural Non-Farm Sector
(D) Urban Corporate Sector

Oct/Nov 2020

124. Match the historical milestones in rural banking in List I with their specific policy impact in List II:
List I: (Milestone)
P. Multi-agency approach
Q. Social Control (1967)
R. CRAFICARD
S. Gadgil Study Group (1969)
List II: (Policy Impact)
1. Recommended the establishment of a separate bank at the national level (NABARD).
2. Recommended the adoption of an 'Area Approach' to evolve plans for adequate banking.
3. Inducted commercial banks into the field of agricultural credit.
4. Created a framework involving cooperatives, commercial banks, and RRBs for rural credit.
(A) P-4, Q-3, R-1, S-2
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-4, R-2, S-1
(D) P-2, Q-1, R-4, S-3

May/June 2022

125. The quantum of loan determined under the crop loan system for raising crops over a unit area, taking into account the cost of inputs and labour involved for the cultivation of crops, is defined as:
(A) Potential Linked Credit
(B) Scales of Finance
(C) Priority Sector Advance
(D) Differential Rate

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typically chaired by the Chairman or Managing Director of the Convenor Bank, not the Lead District Manager, who operates primarily at the district level.

32. (B) Bank loans to Micro/Small Enterprises qualify under the priority sector without any credit cap, per MSMED Act, 2006.
According to the MSMED Act of 2006, bank loans provided to Micro and Small Enterprises are classified under the priority sector without any specific credit cap. This policy ensures that these vital sectors receive adequate financial support based on their investment and turnover criteria. The Management Information System used by the Reserve Bank of India tracks these disbursements to monitor progress in financial inclusion.

33. (D) I, II, and III
NABARD performs extensive institutional development functions to strengthen the rural credit delivery system. This includes providing policy support to government bodies and cooperatives, as well as facilitating knowledge sharing through the Centre for Professional Excellence in Cooperatives. Furthermore, NABARD has designed specialized programs tailored for rural credit cooperatives in specific regions like the North East, Jammu & Kashmir, and various union territories.

34. (A) P-3, Q-4, R-2, S-1
The Lead Bank Scheme operates through a hierarchy of committees to review credit plan performance. At the block level, the BLBC ensures coordination, while the DCC serves as the consultative body at the district level. The District Level Review Committee focuses on operational review, and the State Level Bankers' Committee acts as the apex forum for inter-institutional coordination within the state.

35. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The District Level Review Committee meetings are designed to monitor the implementation of various development programs under the Lead Bank Scheme. By inviting public representatives like MPs and MLAs, the committee ensures that local socio-economic needs are considered and accountability is maintained. The association of non-officials provides valuable feedback on the quality and reach of banking services, justifying their mandated presence.

36. (A) Take over the credit disbursement operations directly from all operating commercial banks in the district.
Special Sub-Committees are established in districts with a low Credit Deposit Ratio to create monitorable action plans for improvement. These committees, which include representatives from the Reserve Bank and NABARD, set graduated targets to increase credit absorption. Their role is to provide guidance and monitor progress through quarterly reports to the DCC, rather than taking over the direct credit operations of commercial banks.

37. (D) Assertion (A) is false, but Reason (R) is true.
The Board of Supervision is an internal body established by NABARD to oversee the financial health of supervised institutions, rather than being an external autonomous entity. However, the Off-site Surveillance System is a critical tool that allows NABARD to monitor bank financials between physical inspections. This system provides vital warning signals, enabling timely interventions to ensure the stability of the rural banking sector.

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38. (D) The DCP assesses the credit needs of the district to be deployed by all financial institutions operating there.
The District Credit Plan is a comprehensive document that estimates the total credit requirements of a district for a specific financial year. It covers various sectors, particularly priority sectors like agriculture and small businesses, and involves all financial institutions operating within the district. The plan is formulated through a consultative process, aggregating inputs from individual bank branches to ensure realistic credit deployment targets.

39. (D) District Credit Plan; placed before the DCC
In the Lead Bank Scheme, the Lead District Manager coordinates the preparation of credit plans by aggregating individual Block Credit Plans. These block plans, prepared by branch managers, are consolidated into a comprehensive District Credit Plan. This finalized document is

the Integrated Rural Development Program in 1980.
The Marginal Farmers and Agricultural Labourers Projects were specialized initiatives aimed at improving the economic conditions of the rural poor. In 1974-75, these projects were merged with the Small Farmers Development Agency to streamline operations. Eventually, in 1980, these efforts were consolidated under the broader Integrated Rural Development Program to provide a more holistic approach to rural poverty alleviation.

9. (A) P-3, Q-4, R-1, S-2
NABARD manages various funds targeting specific rural development goals. The Producer Organizations Development Fund supports credit and capacity building, while the Tribal Development Fund provides grants for small orchards called wadi. The Umbrella Program for Natural Resource Management focuses on community-based projects in collaboration with international agencies, and the Financial Inclusion Fund enhances technological absorption capacity for better awareness among villagers.

10. (C) Share rose from 1951, fell between 1991 and 2003, and is expected to revive now.
Successive surveys by the National Sample Survey Organization reveal that the share of banks in rural household debt has experienced significant fluctuations. While the share initially rose following institutional reforms in 1951, it witnessed a decline between the years 1991 and 2003. Current trends and financial inclusion initiatives suggest a revival as formal banking services expand further into remote rural areas.

11. (D) 25 years
Under Section 25 of the NABARD Act, the institution provides long-term financial assistance by way of refinance to scheduled commercial banks and cooperative banks. This assistance is aimed at supporting agricultural development and rural infrastructure projects that require extended repayment periods. The Act specifies that the maximum duration for such loans, including any rescheduling, cannot exceed a period of twenty-five years.

12. (C) Small Finance Banks
Small Finance Banks were conceptualized by the Reserve Bank of India to further financial inclusion for unserved and underserved sections of society. These entities are designed to provide basic banking services, including accepting deposits and lending to small business units, small farmers, and micro-industries. They bridge the gap in credit availability while encouraging the habit of thrift among rural and semi-urban populations.

13. (D) The assistance is provided by way of rescheduling short-term loans into medium-term loans for up to seven years under Section 22.
While Section 21 of the NABARD Act generally limits refinance for agricultural operations to eighteen months, specific exceptions exist for unforeseen circumstances. Section 22 allows for the conversion of these short-term loans into medium-term ones when farmers face difficulties due to natural calamities like drought or famine. In such cases, the repayment period can be extended to a maximum of seven years.

14. (A) I and II only
Commercial banks entered rural finance through the introduction of social control in 1967 and the subsequent nationalization of major banks in 1969. While priority sector lending concepts and indirect financing guidelines for agriculture were established in 1967 and 1970 respectively, the Differential Rate of Interest Scheme was introduced in 1972. Therefore, only the first two statements accurately reflect the historical timeline.

15. (D) NABARD strictly avoids undertaking voluntary inspections of State Cooperative Agriculture and Rural Development Banks (SCARDBs).
NABARD performs critical supervisory functions over various rural financial institutions to ensure their financial health. This includes the statutory inspection of State Cooperative Banks and District Central Cooperative Banks under the Banking Regulation Act. Contrary to avoiding them, NABARD also undertakes voluntary inspections of State Cooperative Agriculture and Rural Development Banks and Apex Weaver Societies to promote transparency and institutional development.

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forwarded to stakeholders within fifteen days, rather than thirty.

48. (B) Sanctioning of major corporate infrastructure loans exceeding ₹ 500 crore.
The District Consultative Committee is a forum dedicated to reviewing the progress of financial inclusion and priority sector lending at the local level. Its discussions focus on credit flow to small farmers, the doubling of farmers' income, and the implementation of various government-sponsored schemes. It does not handle the sanctioning of large corporate infrastructure loans, which are managed through individual bank corporate offices.

49. (A) To know the bank group-wise position and maintain data consistency with the All-India data of scheduled commercial banks.
The Reserve Bank of India requires banks to group their data into specific categories, such as public sector, private sector, and Regional Rural Banks, during committee meetings. This classification allows stakeholders to understand the performance of different bank groups within the state or district. It also ensures that the local data remains consistent with national-level reporting standards for all scheduled commercial banks.

50. (C) An establishment providing knowledge sharing support for the institutional development efforts for cooperatives.
The Centre for Professional Excellence in Cooperatives, located in Lucknow, was established under NABARD's institutional development initiatives. Its primary role is to act as a knowledge hub that provides training and professional support to the cooperative sector. By sharing best practices and enhancing the skills of cooperative personnel, C-PEC contributes significantly to the overall efficiency and sustainability of rural credit cooperatives.

51. (D) Districts should be "adopted" jointly by the District Administration and Lead Bank to create an enabling environment.
For districts where the Credit Deposit Ratio is extremely low, falling below twenty percent, the Lead Bank Scheme mandates a collaborative approach. The district administration and the Lead Bank are expected to jointly adopt the district to create a more favorable environment for credit absorption. This involves identifying infrastructural gaps and implementing targeted developmental programs to encourage formal banking and credit utilization.

52. (D) The Gadgil Study Group recommended an 'Area Approach' to evolve plans for development of adequate banking in rural areas.
The Lead Bank Scheme originated from the recommendations of the Gadgil Study Group and the Nariman Committee in 1969. The Gadgil Group emphasized an 'Area Approach' to identify and address the banking needs of specific regions. This led to the assignment of lead roles to various banks, requiring them to coordinate with other institutions and government agencies to promote organized rural development.

53. (C) District Level Review Committee (DLRC) - Public Representatives i.e., Local MPs/MLAs/ Zilla Parishad Chiefs are invited to these meetings.
The District Level Review Committee is a vital component of the Lead Bank Scheme that facilitates operational review and accountability. To ensure that the banking system remains responsive to local needs, public representatives such as Members of Parliament, Members of the Legislative Assembly, and Zilla Parishad Chiefs are formally invited. Their participation helps bridge the gap between financial institutions and the rural community.

54. (A) I and II only
The revised mechanism for data flow in Lead Bank Scheme forums emphasizes automation and efficiency. Banks are required to generate standardized reports from their Core Banking Solutions directly into Excel format. These files are then uploaded to the SLBC websites to ensure data integrity and timeliness. This automated process is designed to eliminate the need for manual data entry by Lead District Managers.

55. (A) A pre-PLP meeting is convened by the Lead District Manager during June every year to outline major information requirements.
The preparation of the Potential Linked Credit Plan involves a structured timeline beginning with a pre-PLP meeting. This meeting is convened by the Lead District Manager, during June, to

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services reach remote areas that previously lacked any core banking solution-enabled outlets or formal branches.

24. (A) I, II, III, and V only
NABARD has promoted several subsidiaries to provide specialized services in the rural sector. NABCONS offers consultancy, while NABFINS and NABSAMRUDDHI focus on enterprise credit. NABVENTURES manages equity funds for start-ups, and collectively, these entities aim to innovate and promote rural development. However, the NAB Foundation focuses on executing developmental projects rather than formulating regulatory policies for urban microfinance institutions.

25. (C) NABARD was established under the overall guidance and supervision of the State Bank of India.
NABARD was established in 1982 following the recommendations of the CRAFICARD committee, chaired by Shri B. Sivaraman. It took over the agricultural credit functions of the Reserve Bank of India and the Agricultural Refinance and Development Corporation. Although NABARD works closely with various banks, it was not established under the supervision of the State Bank of India; it operates as an independent apex institution.

26. (A) Only Statement I is correct
Rural financial institutions including cooperatives, commercial banks, and Regional Rural Banks receive significant support from both the government and the Reserve Bank of India. While the Reserve Bank provides overall regulatory guidance, NABARD serves as the apex institution for providing refinance and promoting institutional development in the rural sector. SIDBI's role is primarily focused on small industries rather than providing general rural guidance.

27. (A) NABARD extends financial support to develop PACS as Multi Service Centres to serve as a 'one stop shop' for farmers.
NABARD has introduced an initiative to transform Primary Agricultural Credit Societies into Multi Service Centres. This program provides financial support to enable these societies to offer diverse services such as agro-processing, storage, and information centres. By acting as a one-stop shop, these societies can better meet the multifaceted needs of farmers, moving beyond traditional credit disbursement to comprehensive agricultural support.

28. (A) P-3, Q-4, R-1, S-2
Several landmark institutions were established to strengthen India's rural and financial infrastructure at different times. The State Bank of India was formed in 1955, followed by the Agricultural Refinance Corporation in 1963. Later, the Rural Electrification Corporation was established in 1969 to support rural infrastructure, and the Credit Guarantee Corporation was set up in 1971 to protect lenders against small borrower defaults.

29. (A) II, I, III, IV
The evolution of rural financial institutions followed a specific timeline starting with the Agricultural Refinance Corporation in 1963. This was followed by the introduction of the Lead Bank Scheme in 1969 to coordinate district-level credit. Later, the CRAFICARD committee was formed in 1979 to review institutional credit arrangements, leading to the launch of the Service Area Approach in 1989 for organized rural lending.

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30. (B) I, II, and IV only
Prior to NABARD's formation, the Reserve Bank of India managed both promotional and regulatory aspects of cooperative credit. While NABARD was later empowered to conduct statutory inspections of cooperative banks, the regulatory powers over Primary Cooperative Banks (Urban Cooperative Banks) remained with the Reserve Bank of India. The amendment of the Banking Regulation Act ensures that NABARD's inspections do not prejudice the Reserve Bank's overall authority.

31. (C) The Lead District Manager (LDM) is designated as the Chairman of the State Level Bankers' Committee.
The Lead Bank Scheme involves various forums for coordination at different levels. The District Consultative Committee is chaired by the District Collector, while the Block Level Bankers' Committee facilitates field-level coordination. However, the State Level Bankers' Committee is

16. (C) 1975
Regional Rural Banks were established in 1975 following the recommendations of the Narasimham Working Group. Their primary objective was to combine the local feel of cooperatives with the professional expertise of commercial banks. These banks focus exclusively on the credit needs of small and marginal farmers, agricultural labourers, and rural artisans, ensuring that formal credit reaches the lowest strata of society.

17. (A) Only Statement I is true
NABARD is mandated to evaluate, monitor, and inspect its client banks to ensure they adhere to sound banking practices and promote rural development. While NABARD conducts statutory inspections of Regional Rural Banks, it also shares the responsibility for inspecting State Cooperative Banks and District Central Cooperative Banks. The Reserve Bank of India remains the primary regulator, but NABARD's supervisory role is essential for institutional oversight.

18. (A) Providing direct financial relief to farmers for converting short-term loans into medium-term ones during natural calamities.
The National Agricultural Credit Long Term Operations Fund was created to provide long-term loans to state governments and cooperatives for capital subscription and agricultural development. It was not intended for converting short-term loans during natural calamities; that specific relief function was the responsibility of the National Agricultural Credit Stabilization Fund. These two funds served distinct purposes within the broader framework of rural credit.

19. (D) It offers scope for off-budget and on-budget borrowing, aiding in easing various State budget constraints.
The NABARD Infrastructure Development Assistance program provides customized long-term loans to state governments and state-owned corporations. This model is particularly beneficial as it allows for both off-budget and on-budget borrowing, helping states manage their fiscal constraints while funding essential rural infrastructure. By offering flexible repayment terms, NIDA facilitates projects in sectors like irrigation, connectivity, and renewable energy for rural growth.

20. (B) ₹ 10 crore
In 1956, the Reserve Bank of India established two specialized funds to manage different aspects of rural credit based on committee recommendations. While the Stabilization Fund provided relief during calamities, the Long Term Operations Fund supported institutional capitalization. The initial contribution to the Long Term Operations Fund was set at ten crore rupees, followed by annual contributions to support the growth of cooperatives.

21. (C) Owing to drought, famine, military operations, enemy action, or other natural calamities.
Section 22 of the NABARD Act empowers the institution to provide financial assistance by rescheduling existing loans and advances. This provision is specifically invoked when borrowers are unable to repay their short-term agricultural loans due to extraordinary circumstances. These include natural disasters like drought and famine, or human-induced crises such as military operations and enemy actions, ensuring that farmers are not penalized.

22. (B) It coordinated the Bank's operations regarding agricultural credit and its formal relations with State Cooperative Banks.
The Agricultural Credit Department was established by the Reserve Bank of India in 1935 as a specialized unit. Its primary mandate was to coordinate the central bank's operations concerning agricultural credit and maintain formal relations with State Cooperative Banks. This department played a foundational role in researching rural finance issues and advising the government on policies to improve credit flow to farmers.

23. (D) Mandated branch opening in URCs - Banks are mandated to open 25% of their outlets in unbanked rural centres.
To accelerate financial inclusion, the Reserve Bank of India issued revised guidelines in 2017 regarding the opening of bank branches. These guidelines mandate that scheduled commercial banks must open at least twenty-five percent of their total banking outlets in unbanked rural centres. This requirement ensures that banking

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then presented before the District Consultative Committee for formal acceptance and approval, ensuring that all stakeholders agree on the credit deployment strategy.

40. (D) Holding annual sensitization workshops for banks and Government officials with participation by NGOs and local institutions.
Lead District Managers play a pivotal role in coordinating rural development beyond just convening meetings. They are expected to hold annual sensitization workshops to educate bank staff and government officials about various credit schemes and developmental goals. By involving NGOs and local institutions, these workshops foster a collaborative environment that improves the implementation of the Lead Bank Scheme and enhances financial inclusion.

41. (C) ₹ 10 crore
For bank loans to be classified under the priority sector, specific loan limits apply to different categories of borrowers. In the case of medium enterprises within the services sector, the applicable loan limit per borrower is ten crore rupees. This cap ensures that priority sector lending benefits are directed toward enterprises that fall within a defined scale, supporting balanced economic growth across various sectors.

42. (C) Direct refinance assistance to DCCBs for providing short term multipurpose credit to rural borrowers.
To improve the flow of credit in the rural sector, NABARD has introduced a facility for direct refinance assistance to District Central Cooperative Banks. This allows these banks to access additional funds beyond what they receive from their federated State Cooperative Banks. This multipurpose credit line helps DCCBs meet the diverse financial requirements of rural borrowers, ensuring more efficient resource mobilization and deployment.

43. (B) Micro-management of the internal transfer postings of bank staff within the State.
The State Level Bankers' Committee focuses on macro-level coordination and policy issues related to banking development and financial inclusion. Its agenda includes reviewing credit flow to priority sectors like MSMEs, monitoring the expansion of the banking network, and addressing low Credit Deposit Ratios in specific districts. It does not involve itself in the internal administrative matters or personnel management, such as staff transfers, of individual banks.

44. (A) I, II, III, and IV only
The State Level Bankers' Committee is a high-level forum designed to coordinate banking activities across a state. It is typically co-chaired by senior state officials and involves participation from major banks, the Reserve Bank, and NABARD. While Chief Ministers are encouraged to attend, and steering sub-committees may finalize agendas, these meetings must be held on a quarterly basis rather than just annually.

45. (C) SLBC Convenor Banks were advised to prioritize opening purely digital branches without any brick and mortar setup in villages with a population above 5000.
To provide banking services in unbanked regions, the Reserve Bank of India introduced roadmaps for villages of different population sizes. For villages with a population above 5000 that lack a bank branch, the policy emphasizes opening physical brick-and-mortar branches. These branches are considered essential for providing quality services and supervising business correspondents, rather than relying exclusively on purely digital setups in these large villages.

46. (B) Section 23; maximum seven years
Section 23 of the NABARD Act provides a mechanism for rescheduling loans when rural borrowers are unable to repay due to natural calamities. This specific provision allows short-term loans provided to artisans and small enterprises to be converted into medium-term loans. The maximum duration for such rescheduled assistance is seven years, providing necessary financial relief and ensuring the continued viability of small rural businesses.

47. (A) I, II, and III only
Efficient operation of the State Level Bankers' Committee requires adherence to a strict yearly calendar. This calendar specifies cut-off dates for data submission and mandates that reminders be sent fifteen days before each quarter ends. While data should be received within fifteen days after the quarter, the minutes of the meeting must be

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ANSWERS

1. (D) The Committee recommended the dismantling of the cooperative movement due to its structural and managerial weaknesses.
The All-India Rural Credit Survey Committee, established in 1951, identified cooperatives as the most suitable agency for providing rural credit. Instead of dismantling them, the committee proposed the Integrated Scheme of Rural Credit to strengthen the movement. This plan included state partnership in cooperative institutions to provide necessary financial stability and managerial support to ensure the success of agricultural development.

2. (C) Banks could not formulate area-based schemes or individual projects because of the small financial outlay required.
This provision addresses the difficulties commercial banks face in designing individual credit projects for small-scale rural activities. Since activities like minor irrigation and land development often require small financial outlays per farmer, banks found it inefficient to create separate schemes. Section 24 allows NABARD to facilitate structured financial assistance for these vital agricultural and rural infrastructural components through specialized refinancing.

3. (A) III, IV, II, I
The institutional credit system evolved through several phases starting with the organization of cooperative credit societies in 1904. Commercial banks were later inducted into agricultural credit under social control in 1967, followed by the nationalization of fourteen major banks in 1969. Regional Rural Banks were finally established in 1975 to provide specialized credit specifically for small and marginal farmers.

4. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Potential Linked Credit Plans are comprehensive documents prepared by NABARD for districts across India to assess the credit potential for priority sectors. These plans serve as a vital roadmap for banks to prepare their Annual Credit Plans by identifying specific sectors where credit can be absorbed. By estimating potential based on infrastructure and resources, PLPs ensure scientific and organized planning.

5. (B) National Agricultural Credit (Stabilization) Fund - Subscribing directly or indirectly to the share capital of cooperative credit institutions
The National Agricultural Credit Stabilization Fund was established specifically to provide relief to farmers during natural calamities by converting short-term loans into medium-term ones. The function of subscribing to the share capital of cooperative credit institutions was actually assigned to the National Agricultural Credit Long Term Operations Fund. This distinction was crucial for maintaining the separate objectives of stabilization and capitalization.

6. (B) Forcing the conversion of all Self Help Groups into Joint Liability Groups for corporate lending.
NABARD supports various initiatives under the Micro Finance program, such as the SHG Bank Linkage Program and Project E Shakti for digitalization. These programs empower rural women through a savings-led model and enhance credit access. However, there is no mandate to force the conversion of Self Help Groups into Joint Liability Groups, as both serve different functional and social purposes.

7. (B) Multi-agency approach
The rural credit structure in India transitioned from a cooperative-dominated system to one involving multiple types of financial institutions. By introducing commercial banks and Regional Rural Banks alongside cooperatives, the government created a multi-agency approach. This framework fosters healthy competition among different lenders, ensuring better credit availability, wider geographical coverage, and diverse financial products for the underserved rural and agricultural populations.

8. (B) MFAL merged with SFDA in 1974-75, and these activities were subsequently merged with

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collect vital information and align the views of various banks and government agencies. This ensures the plan accurately reflects the socio-economic priorities and infrastructural gaps of the district for the next year.

56. (B) I, II, and IV only
NABARD plays a significant role in climate change initiatives as a National Implementing Entity for several global and domestic funds. These include the Adaptation Fund, the Green Climate Fund, and the National Adaptation Fund for Climate Change. Through these arrangements, NABARD supports numerous adaptation and mitigation projects. The primary goal is to channel funds toward sustainable rural development rather than urban industrial projects.

57. (A) 12 public sector banks and one private sector bank have been assigned Lead Bank responsibility in 726 districts.
As of mid-2020, the Lead Bank responsibility across India's 726 districts was distributed among twelve public sector banks and one private sector bank. These banks are tasked with coordinating the credit planning process and leading various institutional forums at the district level. This structure ensures that every district in the country has a designated lead institution to drive financial inclusion and developmental goals.

58. (A) P-2, Q-4, R-1, S-3
Different committees within the Lead Bank Scheme have specific leadership roles to ensure effective coordination. The Block Level Bankers' Committee is typically chaired by the Lead District Manager or a senior bank official. At the district level, the Collector chairs the Consultative Committee, while the LDM convenes the Review Committee. The State Level Bankers' Committee is chaired by the top executive of the Convenor Bank.

59. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Manual compilation of data for Lead Bank Scheme forums often results in delays and concerns regarding data integrity. To address these issues, a standardized system for uploading and downloading data through SLBC websites has been developed. This automation ensures that information is accurate, timely, and consistently formatted, which is essential for effective monitoring of financial inclusion targets and priority sector lending performance.

60. (A) Only Statement I is correct
Lead Banks are required to prepare an annual schedule of meetings for the District Consultative Committee and District Level Review Committee. This calendar ensures that stakeholders can plan their participation well in advance. However, the guidelines specify that DCC and DLRC meetings should not be held simultaneously. Separating these meetings allows for a more focused discussion on the distinct consultative and operational review agendas.

61. (C) The plans formulated by the SSC can be implemented immediately without any approval from the District Consultative Committee.
Special Sub-Committees are tasked with improving the Credit Deposit Ratio in districts where it is below forty percent. While these committees, including RBI and NABARD officials, formulate Monitorable Action Plans, these plans must be approved by the District Consultative Committee. This ensures that the proposed strategies are vetted by all major stakeholders before implementation to achieve the targeted increase in credit absorption.

62. (A) Private Sector Banks
Following the recommendations of the Usha Thorat Committee, the Reserve Bank of India has encouraged a more active role for private sector banks in the Lead Bank Scheme. This shift ensures that all commercial banks, regardless of ownership, contribute to financial inclusion and priority sector targets. Greater participation from private banks brings additional resources and innovative banking practices to the rural credit delivery system.

63. (A) I, II, III, and IV only
The Direct Benefit Transfer program aims to ensure subsidies reach beneficiaries directly through their bank accounts. Successful implementation requires extensive Aadhaar seeding and regular monitoring through SLBC and district-level committees. While every eligible individual must have a bank account, grievance redressal should be managed through designated

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officers at various local and regional levels, rather than being restricted solely to a single national-level office.

64. (D) 60%
The Reserve Bank of India has advised banks to achieve a minimum Credit Deposit Ratio of sixty percent for their rural and semi-urban branches separately. This benchmark ensures that a significant portion of the deposits mobilized from these areas is redeployed as credit within the same region. Monitoring this ratio helps identify areas with low credit absorption, prompting targeted interventions to support local economic development.

65. (A) The district must be "adopted" jointly by the District Administration and the Lead Bank, placing it in a special category.
In districts where the Credit Deposit Ratio is extremely low due to challenging terrain or law-and-order issues, special measures are required. The Lead Bank Scheme provides for the joint adoption of such districts by the local administration and the Lead Bank. This collaborative effort focuses on creating an enabling environment for banking by addressing infrastructural and security constraints, thereby facilitating better credit flow.

66. (A) Wholesale funding for establishing large scale heavy chemical industries in urban zones for industrial growth.
The Umbrella Program for Natural Resource Management focuses on community-based projects that promote sustainable rural livelihoods. Initiatives under this program include the system of rice intensification, ecotourism, and the cultivation of medicinal plants. These projects are designed to preserve biodiversity and enhance the income of local groups. Large-scale urban industrial funding is not part of this program's rural natural resource management mandate.

67. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
In 2004, the Service Area Approach was reviewed to remove restrictive provisions that limited banks to specific villages. By dispensing with these restrictions, commercial banks and Regional Rural Banks gained the freedom to lend in any rural or semi-urban area. This change benefitted borrowers by allowing them to choose their preferred bank branch, thereby fostering competition and improving the quality of rural banking services.

68. (A) Ensuring investments in warehousing and cold chains to prevent post-harvest crop losses and promoting ancillary activities.
Doubling farmers' income requires a multi-pronged strategy that goes beyond just increasing crop yields. Key components include investing in warehousing and cold chain infrastructure to minimize post-harvest losses and promoting value-adding ancillary activities. By facilitating better market access and encouraging food processing at the local level, these initiatives help farmers realize higher returns on their agricultural produce and diversify their income sources.

69. (A) P-2, Q-1, R-4, S-3
The SLBC Convenor Bank must follow a rigorous yearly calendar to ensure efficient coordination. This includes preparing the annual meeting calendar by mid-January and issuing data submission reminders fifteen days before the quarter ends. Minutes should be forwarded within fifteen days of the meeting to ensure quick information sharing, while follow-up on action points is expected within thirty days of distributing those minutes.

70. (C) A centre without a CBS-enabled 'banking outlet' of a scheduled bank, SFB, payment bank, RRB, or licensed cooperative bank.
Under the revised RBI guidelines, an Unbanked Rural Centre is defined as a rural location that lacks a Core Banking Solution-enabled banking outlet. This definition includes outlets from various types of institutions like scheduled commercial banks, small finance banks, and licensed cooperative banks. Identifying these centres is a critical first step in targeted expansion efforts to provide formal banking services to underserved populations.

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71. (A) To ensure hassle-free credit to all borrowers in rural and semi-urban areas by leveraging alternative due diligence.
The requirement for a 'No Due Certificate' was dispensed with to simplify the loan application process for small rural borrowers. Instead of relying on physical certificates, banks are encouraged to use alternative due diligence methods like checking credit histories through specialized agencies. This reform reduces the administrative burden on farmers and artisans, ensuring more timely and hassle-free access to formal institutional credit.

72. (B) Identifying one district on a pilot basis to make it 100% digitally enabled within a period of one year.
To expand the digital payment ecosystem, the Reserve Bank of India has advised SLBCs to identify specific districts for a pilot project. The goal of this initiative is to make the identified district one hundred percent digitally enabled within one year. This involves onboarding merchants and businesses to digital platforms, thereby facilitating a shift away from cash and modernizing the rural financial landscape.

73. (D) Credit as per place of sanction (Cs)
When calculating the Credit Deposit Ratio at the individual bank's Head Office level, the Expert Group recommended using credit as per the place of utilization rather than the place of sanction. This indicator also includes the total resource support provided to states under the Rural Infrastructure Development Fund. Using the place of utilization provides a more accurate picture of where the actual economic impact is occurring.

74. (A) I and II only
The Block Level Bankers' Committee is an essential forum for reviewing the implementation of credit plans at the field level. It serves to resolve operational difficulties faced by branches and coordinates with local development agencies. While it focuses on block-specific issues, the guidelines encourage participation from various local stakeholders, including representatives from Panchayat Samitis, to ensure that the credit delivery system aligns with local governance.

75. (C) Banks are strictly prohibited from displaying the names and details of business correspondents on the SLBC website.
The Direct Benefit Transfer mechanism utilizes various channels, including business correspondents, to ensure subsidies reach rural beneficiaries. To improve transparency and accessibility, banks are actually required to provide details of their business correspondents on the SLBC websites. This ensures that beneficiaries know who their local service providers are, facilitating better coordination and more effective grievance redressal at the district level.

76. (D) District Level - Indicator: Cu + RIDF + State Budget Subsidy
The Expert Group defined specific indicators for monitoring the Credit Deposit Ratio at different levels. At the state level, the formula includes credit as per place of utilization and RIDF support. However, at the district level, the primary indicator is based on credit as per the place of sanction. Incorporating state budget subsidies is not a standard part of these regulatory banking indicators for district-level analysis.

77. (A) Only Statement I is correct
NABARD offers various promotional programs to enhance rural credit delivery, such as providing incentives for the formation of Joint Liability Groups. These groups allow small farmers and tenants to access credit through collective responsibility. However, the support for Farmers' Clubs is intended for technology transfer and capacity building rather than paying the personal agricultural income taxes of the members, which is not an eligible expense.

78. (B) A mandatory character certificate issued directly by the District Collector to verify the applicant's standing.
With the removal of the 'No Due Certificate' requirement, banks utilize several alternative due diligence frameworks. These include verifying credit histories through Credit Information Companies, obtaining self-declarations from borrowers, and conducting searches through CERSAI to identify existing mortgages. A character certificate from the District Collector is not a recognized or mandatory part of these

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environment for formal banking services and credit-led economic growth.

111. (D) NABARD Infrastructure Development Assistance for large scale state projects.
The NABARD Infrastructure Development Assistance program is specifically designed to provide flexible funding for large-scale rural infrastructure projects. It caters to state governments and corporations that need off-budget borrowing options to manage fiscal constraints. NIDA's customized loan products are ideal for long-term projects like rural water supply or connectivity, offering repayment terms that align with the project's specific cash flows and requirements.

112. (B) It monitors rural banking, the Lead Bank Scheme, and oversees the functions of NABARD to ensure compliance.
Following the establishment of NABARD, the Reserve Bank of India retained certain oversight responsibilities through its Rural Planning and Credit Department. This department is responsible for monitoring rural banking activities and the implementation of the Lead Bank Scheme across the country. It also serves as a liaison between the central bank and NABARD, ensuring that rural credit policies are executed effectively.

113. (D) Assertion (A) is false, but Reason (R) is true.
Initially focused on rural areas, the Lead Bank Scheme was eventually expanded to cover the entire country, including metropolitan areas. This comprehensive coverage allows for consistent monitoring of financial inclusion and priority sector targets across all districts. Bringing every region under the scheme's fold ensures that the national goals for banking development and credit deployment are tracked and managed through a uniform framework.

114. (B) If the Government Sponsored Scheme itself provides for the obtention of a 'No Due Certificate'.
Although the general requirement for a 'No Due Certificate' has been dispensed with for most rural loans, certain exceptions apply. If a specific Government Sponsored Scheme explicitly mandates the production of this certificate, banks must still obtain it. In all other cases, banks are expected to use alternative due diligence methods, ensuring that the credit delivery process remains efficient and accessible for borrowers.

115. (D) Detailed disciplinary proceedings against a specific clerk in a rural branch.
The State Level Bankers' Committee is a high-level forum meant for discussing macro-level banking policies and developmental issues. Its agenda typically focuses on priority sector credit flow, financial inclusion progress, and restructuring loans during natural calamities. It is not an appropriate venue for discussing the internal administrative or disciplinary matters of individual bank employees, which are handled through the respective bank's internal management.

116. (A) I, II, and III only
The Producer Organizations Development Fund was established by NABARD in 2011 to support the growth of farmer collectives. Created from the institution's operating surplus, its corpus was initially fifty crore rupees and has since been increased to one hundred crore. The fund provides comprehensive support, including credit for infrastructure and grants for capacity building and market linkages, ensuring the sustainability of producer organizations.

117. (D) Financial Literacy Centres and RSETI type Training Institutes to build local capacity.
To promote financial education and entrepreneurship, the Lead Bank Scheme encourages the establishment of specialized institutions. Financial Literacy Centres provide citizens with the knowledge to manage their finances, while RSETI-type institutes offer vocational training to help rural youth start their own businesses. These centers, supported by banks, are essential for building local capacity and ensuring that credit is utilized productively.

118. (D) Annual Credit Plans (ACP)
The Annual Credit Plan is the primary operational document used to implement the credit strategies defined in the District Credit Plan. It breaks down the broader district-level targets into specific goals for individual bank branches and blocks. By aligning corporate business targets with the ACP, financial institutions ensure that

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borrowers, Self Help Groups, and Joint Liability Groups alike. Instead of relying on physical affidavits alone, banks are encouraged to utilize modern tools like credit reports from specialized agencies to verify the debt profile of applicants.

87. (B) Under the Scheme, public sector banks lend at a concessional rate of interest of 4% to selected low-income groups.
The Differential Rate of Interest Scheme was introduced by the Reserve Bank of India to provide affordable credit to the economically weaker sections of society. Under this scheme, public sector banks provide loans at a very low, concessional interest rate of four percent. This initiative specifically targets low-income individuals who lack traditional collateral, helping them undertake productive activities and improve their livelihoods.

88. (A) P-2, Q-3, R-4, S-1
The revised data flow mechanism for Lead Bank Scheme forums focuses on automation to improve efficiency. Banks generate reports from their Core Banking Solutions in Excel format, which are then uploaded to SLBC websites. This standardization ensures that state-wide data is easily accessible and updated. By automating these steps, the need for manual data entry at the state or district level is significantly reduced.

89. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
SLBC Convenor Banks play a critical role in coordinating between financial institutions and state government departments. This liaison is essential for addressing operational challenges in rural lending and ensuring that banking development aligns with state-level development goals. By working together, banks and government officials can more effectively implement financial inclusion strategies and expand the reach of formal credit across the entire state.

90. (A) I, II, and III only
The Lead Bank Scheme utilizes a Management Information System with specific reporting formats to track progress. LBS-MIS-I is used for targets, LBS-MIS-II for disbursements and outstanding balances, and LBS-MIS-III for comparing achievements against targets. While these formats were introduced to standardize reporting, the specific revision for these formats was implemented starting from the financial year 2013-2014 rather than 2010-2011.

91. (B) Interventions in the off-farm sector strictly exclude activities in the tertiary sectors of the economy.
NABARD's off-farm sector initiatives are designed to create gainful employment in rural areas by supporting activities outside traditional agriculture. These interventions cover both the secondary and tertiary sectors of the economy, including manufacturing, services, and trade. Through various credit and promotional schemes, NABARD aims to diversify rural livelihoods and reduce the over-dependence on agriculture for income and employment generation.

92. (C) It must be collated at the Controlling Office and entered into the SLBC website using the provided functionalities.
Under the revised data flow mechanism, most information is generated directly from bank systems. However, for data regarding specific state government schemes that may not be available on a bank's Core Banking Solution, manual collation is required. This information is gathered at the bank's controlling office and then entered into the SLBC website using designated fields, ensuring a complete and accurate report.

93. (D) I, II, and III
The Credit Guarantee Corporation was established in 1971 to support the expansion of credit to small borrowers. It administered schemes that provided guarantees to banks against defaults on priority sector loans. This institution later merged with the deposit insurance body to form the Deposit Insurance and Credit Guarantee Corporation, continuing its role in protecting both depositors and lenders within the Indian banking system.

94. (C) Make the district 100% digitally enabled within a period of one year from the start date.
The primary goal for districts identified under the digital payment pilot project is to achieve one hundred percent digital enablement within one year. This involves ensuring that all businesses, merchants, and utility service providers in the

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standardized financial due diligence processes for individual rural credit.

79. (B) To serve as a guide to credit planning by the banks for the ensuing year by presenting a holistic view of gaps.
Potential Linked Credit Plans are analytical documents that map the developmental potential of a district through bank credit. They take into account long-term physical potential, existing infrastructure, and planned investments. By presenting a holistic view of available opportunities and sectoral gaps, PLPs serve as an essential guide for banks to prepare realistic and effective Annual Credit Plans for the upcoming financial year.

80. (D) Perform a credit history check through Credit Information Companies and obtain a self-declaration from the borrower.
Since the mandatory 'No Due Certificate' has been dispensed with, rural branch managers now use more modern due diligence techniques. The most appropriate step is to check the borrower's credit history through specialized agencies and obtain a self-declaration regarding any existing loans. This approach streamlines the credit process while allowing the bank to assess the borrower's total debt profile and repayment behavior accurately.

81. (C) To instruct their branches to adopt the Monitorable Action Plans drawn up by the Special Sub-Committees.
When a district's Credit Deposit Ratio falls below forty percent, specific monitoring mechanisms are triggered. The controlling offices of banks are expected to ensure that their branches implement the Monitorable Action Plans developed by the Special Sub-Committees. These plans identify specific sectors and strategies to increase credit flow, helping to improve the district's overall credit absorption capacity and support local economic growth.

82. (A) Ensuring investments in warehousing and cold chains to prevent post-harvest crop losses and promoting ancillary activities.
Doubling farmers' income requires a multi-pronged strategy that goes beyond just increasing crop yields. Key components include investing in warehousing and cold chain infrastructure to minimize post-harvest losses and promoting value-adding ancillary activities. By facilitating better market access and encouraging food processing at the local level, these initiatives help farmers realize higher returns on their agricultural produce and diversify their income sources.

83. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
In large unbanked villages with a population over 5000, the policy emphasizes opening physical brick-and-mortar branches. These branches provide more reliable and high-quality financial services compared to purely digital models. Furthermore, having a physical presence allows for better supervision and support of business correspondent outlets, ensuring that formal banking operations are carried out effectively and securely in these significant rural centers.

84. (A) I, II, IV, and V only
The initiative to make a district one hundred percent digitally enabled involves collaborative efforts from all stakeholders. SLBCs identify districts and allocate them to banks with a significant local presence, including public, private, and Regional Rural Banks. The program aims to onboarding merchants and traders onto digital platforms within a year. A specialized sub-committee at the state level monitors this progress to ensure comprehensive digital adoption.

85. (C) The SLBC website serves as a closed platform accessible only to the Reserve Bank of India.
SLBC websites are designed to be transparent platforms that provide standardized information about banking development and government schemes within a state. These websites are accessible to all stakeholders, including individual banks, government agencies, and the general public. By making updated data and instructions readily available, these platforms ensure that everyone involved in the Lead Bank Scheme has access to the same information.

86. (A) Only Statement I is correct
To facilitate easier access to credit, banks have been advised to dispense with the 'No Due Certificate' for all types of rural and semi-urban loans. This reform applies to individual

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time, this fund has been expanded to support a wider range of activities that promote the economic empowerment of tribal communities.

103. (B) They must not be held simultaneously.
The Lead Bank Scheme guidelines mandate that the District Consultative Committee and District Level Review Committee meetings must not be held simultaneously. This requirement ensures that both committees receive adequate attention and that their distinct agendas—one focusing on consultation and the other on operational review—are addressed thoroughly. Staggering these meetings allows for a more meaningful participation from all institutional and government stakeholders.

104. (A) I, II, III, and V only
SLBC meetings are essential quarterly forums for state-level banking coordination. To improve efficiency, routine matters may be handled by sub-committees involving major stakeholders like RBI and NABARD. These meetings also serve as a platform for sharing success stories to inspire better performance. While academic researchers can be invited for specialized input, the committee must maintain a focused agenda on banking and financial inclusion.

105. (C) Section 24
Section 24 of the NABARD Act allows for the provision of financial assistance for various agricultural and rural developmental purposes, including minor irrigation and animal husbandry. This section is particularly useful for small area-based schemes where individual projects might have a small financial outlay. It enables NABARD to support banks in financing vital activities that contribute to the overall sustainability of the rural economy.

106. (A) P-2, Q-4, R-1, S-3
Understanding key terms is essential for managing rural financial services. Project monitoring involves a continuous review of implementation, while scales of finance determine the loan amount per unit area for crops. The Credit Deposit Ratio measures how much of a bank's deposits are redeployed as credit, and the rural non-farm sector covers economic activities in secondary and tertiary sectors in rural areas.

107. (A) Investments in warehousing, cold chains, and promotion of food processing.
To achieve the goal of doubling farmers' income, strategies must focus on reducing post-harvest losses and enhancing value addition. Promoting investments in warehousing, cold chain infrastructure, and food processing allows farmers to store their produce safely and sell it at better prices. These efforts, discussed in DCC forums, help transform traditional agriculture into a more profitable and resilient enterprise for rural communities.

108. (A) SIDBI
NABARD has established several subsidiaries to provide specialized services that support its mission of rural development. These include NABCONS for consultancy, NABSAMRUDDHI for credit to enterprises, and NABKISAN for supporting farmer organizations. SIDBI, however, is a separate apex institution focused on the development of small-scale industries and is not a subsidiary of NABARD, although both institutions work toward overall economic growth.

109. (D) Because RIDF represents funds channeled into rural infrastructure, acting as credit deployment in the region.
The calculation for the state-level Credit Deposit Ratio includes funds provided under the Rural Infrastructure Development Fund alongside direct credit. This is because RIDF represents a significant investment in rural infrastructure, such as roads and irrigation, which indirectly supports agricultural and economic activities. Including these funds provides a more comprehensive view of the total institutional resources being deployed for development within the state.

110. (C) The district should be "adopted" jointly by the District Administration and the Lead Bank for focused development.
In districts with a Credit Deposit Ratio below twenty percent, the Lead Bank Scheme requires a collaborative developmental strategy. The district administration and the Lead Bank are expected to jointly adopt the district to address the unique challenges that hinder credit absorption. This focused partnership aims to improve infrastructure and create a more conducive

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Which of the combinations given above is correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2024

11. Which of the following correctly reflects the business level of Regional Rural Banks (RRBs) as on 31 March, 2020?
(A) The total number of operating RRBs stood at 82 with a total deposit outstanding of Rs. 2.80 lakh crore across the rural network.
(B) The loans and advances outstanding stood at Rs. 4.79 lakh crore with 17 RRBs reporting a CRAR above the regulatory minimum of 9%.
(C) Out of the 56 RRBs functioning in the country, none reported a CRAR less than 9% despite the challenges in the rural economy.
(D) The operating RRBs stood at 43, with deposits at Rs. 4.78 lakh crore and loans at Rs. 2.98 lakh crore.

May/June 2018

12. Based on the organizational structure of cooperative banks, under what circumstances do State Cooperative Banks (StCBs) provide financial assistance directly to Primary Agricultural Credit Societies (PACS)?
(A) When the StCBs have surplus funds deployed by DCCBs.
(B) When the PACS are unable to maintain a Capital to Risk-Weighted Assets Ratio of at least 9%.
(C) When the PACS are federated directly to the StCBs under a two-tiered cooperative structure in the absence of a middle tier.
(D) When the DCCBs are not complying with the minimum capital requirements under Section 11 (1) of the Banking Regulation Act, 1949.

Oct/Nov 2019

13. Match the functions of credit institutions in the Long Term Cooperative Credit Structure (LTCCS) to identify the correct pair:
(A) Special Development Debentures — Securities subscribed by external financial agencies like the Life Insurance Corporation of India for diverse investment projects.
(B) Ordinary Development Debentures — Financial instruments subscribed by NABARD specifically to provide refinance support to the long-term cooperative sector.
(C) Agriculture & Rural Development Banks — Credit institutions registered as non-banks and governed by the provisions of the Banking Regulation Act, 1949.
(D) SCARDBs / PCARDBs — Provide long-term loans for minor irrigation, land development, and farm mechanization.

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May/June 2012

14. Which of the following best defines the principal objective behind the formation of Farmers' Service Societies (FSS) in 1973?
(A) To strictly provide long-term credit for farm mechanization and minor irrigation to large-scale farmers operating in irrigated command areas.
(B) To replace the State Cooperative Banks at the apex level and decentralize monetary policies to ensure uniform development of rural sectors.
(C) To cater to the credit and non-credit needs of farmers at a single point, focusing on weaker sections and small farmers.
(D) To act exclusively as Business Correspondents for commercial banks in urban municipalities and handle government-sponsored social welfare programs.

Oct/Nov 2005

15. What is the fundamental statutory definition of the National Cooperative Development Corporation (NCDC)?
(A) A private limited company focused on microfinance lending for rural artisans and providing technical consultancy to small farmer groups.
(B) A regulatory body operating under the Ministry of Finance with the primary mandate to license primary agricultural credit societies nationwide.
(C) An international non-governmental organization providing technical assistance to rural cooperative banks in India to align with global standards.
(D) A statutory corporation promoting and financing programs for agricultural produce and certain notified commodities.

their lending activities directly contribute to the planned development and priority sector goals.

119. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The modification of the Service Area Approach in 2004 aimed to balance organized credit planning with borrower choice. While villages are still allocated to branches for planning purposes, the restrictions on lending were removed except for government schemes. This allows commercial banks and Regional Rural Banks to serve a wider area, fostering healthy competition and ensuring that rural borrowers can access banking services from multiple institutions.

120. (A) Monitorable Action Plan (MAP)
For districts with a low Credit Deposit Ratio, the Special Sub-Committee is required to develop a Monitorable Action Plan. This plan outlines specific, graduated targets to increase credit absorption over time. By identifying potential sectors for credit growth and coordinating between banks and government agencies, the MAP provides a strategic roadmap for improving the financial health and credit deployment within the district.

121. (D) Project Evaluation
Project evaluation is a systematic process used to determine the overall success of a developmental initiative. It objectively assesses the project's relevance, efficiency, and effectiveness in meeting its original goals. By analyzing the long-term impact of activities, evaluation provides valuable insights into whether the resources invested have achieved the desired socio-economic outcomes, helping to improve the design of future rural projects.

122. (C) Support to develop PACS as Multi Service Centres to serve as a 'one stop shop'.
NABARD's initiative to develop Primary Agricultural Credit Societies as Multi Service Centres aims to modernize these grassroots institutions. By providing financial support for agro-processing, storage, and information facilities, the program enables PACS to offer a wide range of services beyond simple credit. This transformation turns local societies into one-stop shops that can comprehensively address the diverse technical and financial needs of farmers.

123. (C) Rural Non-Farm Sector
The rural non-farm sector encompasses all economic activities in rural areas that are not directly related to crop production or allied agricultural activities. This includes manufacturing, processing, trade, and services within the secondary and tertiary sectors. Developing this sector is crucial for providing alternative employment opportunities and increasing the overall income of rural households, thereby reducing their vulnerability to agricultural risks.

124. (A) P-4, Q-3, R-1, S-2
India's rural credit system has been shaped by several key policy shifts. The multi-agency approach created a competitive framework involving various institutions. Social control in 1967 brought commercial banks into agricultural lending, while the Gadgil Group's 'Area Approach' led to the Lead Bank Scheme. Finally, the CRAFICARD committee's recommendations resulted in the establishment of NABARD as the apex national institution for rural development.

125. (B) Scales of Finance
Under the crop loan system, the amount of credit provided to a farmer is determined based on the specific cost requirements of the crop being grown. This calculated value, known as the scales of finance, accounts for essential inputs like seeds, fertilizers, and labour. It ensures that the loan amount is adequate for the actual cultivation needs per unit area, supporting productive agriculture.

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CHAPTER 09
Rural Credit Institutions

Oct/Nov 2014

1. Which of the following statements regarding District Central Cooperative Banks (DCCBs) is incorrect?
(A) They provide external functional assistance to affiliated cooperative societies in both credit and non-credit segments to ensure their operational viability.
(B) They effect borrowing from the State Cooperative Bank to which they are affiliated for the purpose of augmenting their total available loanable funds.
(C) Their share capital is contributed by the cooperative societies federated to them and by the State Government to maintain a healthy capital base.
(D) They must obtain a branch license from the RBI prior to opening new branches within their area of operation.

May/June 2023

2. Which of the following statements regarding the weaknesses of Primary Agricultural Credit Societies (PACS) is incorrect?
(A) Many PACS are non-viable due to inadequate membership and low capital.
(B) Inordinate delay is caused in the sanction and disbursement of loans, resulting in farmers not getting timely financial help.
(C) The operational efficiency of PACS is often very high due to the strict absence of personal and vested interests.
(D) The supervisory mechanism over members and borrowers is ineffective and inefficient in a number of states.

Oct/Nov 2008

3. Out of the 33 State Cooperative Banks (StCBs) functioning in the country, how many operate with a three-tiered structure?
(A) 13
(B) 20
(C) 30
(D) 32

May/June 2015

4. A State Cooperative Agriculture & Rural Development Bank (SCARDB) is facing severe liquidity constraints and is unable to undertake fresh lending. According to the structural constraints identified in the LTCCS, what is the primary limiting factor imposed on such banks regarding their eligibility to undertake fresh lending?
(A) The refusal of the State Government to provide financial guarantees for the issuance of Ordinary Development Debentures to institutional investors.
(B) The lack of implementation of Core Banking Solutions (CBS) at the primary level, which hinders the real-time tracking of long-term assets.
(C) The financial discipline imposed based on recovery performance due to mounting overdues.
(D) The mandatory conversion of the SCARDB into a Local Area Bank as per the latest regulatory guidelines issued by the Reserve Bank of India.

Oct/Nov 2025

5. Match the institutions in List I with their distinctive features in List II:
List I: Institution
P. Primary Agricultural Credit Societies (PACS)
Q. Farmers' Service Societies (FSS)
R. Large-Sized Adivasi Multi-Purpose Societies (LAMPS)
S. National Cooperative Development Corporation (NCDC)
List II: Feature
1. Mandates a membership restriction where 70% of members should be tribals.
2. Acts as a statutory corporation for planning and promoting cooperative development programs.
3. Operates in a compact area of 10 to 20 villages with a potential to reach a business

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of Rs. 2.5 to 3 million.

4. Acts as a distributor of ration items under the Public Distribution System (PDS) in villages.

(A) P-4, Q-3, R-1, S-2
(B) P-4, Q-1, R-2, S-3
(C) P-1, Q-4, R-3, S-2
(D) P-2, Q-3, R-4, S-1

May/June 2009

6. In which year were the Regional Rural Banks (RRBs) established in the country as a unique experiment to integrate the commercial banking system within the broad policy thrust towards social banking?

(A) 1969-70
(B) 1975-76
(C) 1994-95
(D) 2005-06

Oct/Nov 2016

7. Which of the following best describes the Short Term Cooperative Credit Structure (STCCS) functioning in smaller states and Union Territories?

(A) A three-tiered system comprising State Cooperative Banks, District Central Cooperative Banks, and Primary Agricultural Credit Societies for regional coverage.
(B) A two-tiered structure where the State Cooperative Bank functions as a Central Financing Agency with primary level societies directly affiliated to it.
(C) A centralized unitary structure governed strictly by NABARD to manage state-wide rural credit without utilizing local primary level credit societies.
(D) A single-tiered rural structure consisting only of independent Primary Agricultural Credit Societies operating at the village level through local fund management.

May/June 2021

8. Consider the following statements regarding Large-Sized Adivasi Multi-Purpose Co-operative Societies (LAMPS):

I. They were set up based on the recommendations of the Committee on Cooperative Structure in Tribal Areas appointed by the Government of India in 1971.
II. The management is vested with a managing committee composed of three government-nominated directors and nine tribal and non-tribal elected directors.

Which of the statements given above is/are correct?

(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2006

9. Consider the following statements concerning the Agriculture & Rural Development Banks (ARDBs):

I. They primarily provide investment credit for agriculture.
II. NABARD provides refinance to viable ARDBs under Section 25 of the National Bank for Agriculture and Rural Development Act, 1981.
III. ARDBs are registered as commercial banks under the Banking Regulation Act, 1949.
IV. NABARD undertakes voluntary inspection of SCARDBs to ensure healthy loaning practices.
V. A few ARDBs have started extending crop loans/jewel loans for crop production activities.

Which combination of the statements given above is correct?

(A) I, II, III, and IV only
(B) I, II, IV, and V only
(C) II, III, IV, and V only
(D) I, III, IV, and V only

May/June 2011

10. Consider the following statements regarding the recommendations of the Expert Committee (Chairman: Dr. Prakash Bakshi) to review the existing STCCS:

I. PACS should work only as Business Correspondents on behalf of banks and should not act as financial intermediaries themselves.
II. DCCBs unable to maintain a CARAR of at least 9% should be merged with other DCCBs.
III. StCBs and DCCBs should be fully operational on Core Banking Solutions and provide RTGS, NEFT, ATM, and POS device-based services.

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district have the infrastructure and knowledge to accept digital payments. This focused effort aims to create a model for expanding the digital financial ecosystem across the country.

95. (A) P-4, Q-1, R-2, S-3
The Lead Bank Scheme involves various plans and reports that serve different functions. NABARD prepares PLPs based on long-term physical potential, while individual branch managers synchronize their block-level operational goals through BCPs. These are aggregated into the District Credit Plan, and the final Annual Credit Plan utilizes standardized formats to report on priority sector lending achievements at the state level.

96. (B) Section 35 of the Banking Regulation Act, 1949 regarding bank inspections.
NABARD is empowered to carry out statutory inspections of State Cooperative Banks and District Central Cooperative Banks under Section 35 of the Banking Regulation Act. This supervisory role is essential for maintaining the financial stability of the rural cooperative credit structure. In addition to physical inspections, NABARD uses its Off-site Surveillance System to monitor bank performance and provide early warnings.

97. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The pre-PLP meeting is a consultative forum convened by the Lead District Manager to gather input for the district's potential-linked plan. By involving various banks and government departments, the LDM ensures that the plan reflects local socio-economic developments and priorities. This collaborative approach allows for a more accurate assessment of credit potential, ensuring that the finalized plan serves as a realistic guide.

98. (A) Business correspondents, ATMs, and mobile vans.
To provide banking services in small unbanked villages with a population of less than 2000, banks can utilize various delivery channels. These include the use of business correspondents to provide doorstep services, as well as the deployment of ATMs and mobile vans. This flexible approach ensures that even remote areas receive basic banking facilities without the immediate need for a full brick-and-mortar branch.

99. (A) P-4, Q-3, R-2, S-1
NABARD acts as the implementing entity for several climate-related funding arrangements. The Adaptation Fund and Green Climate Fund focus on international climate interventions and private finance channelization. Domestically, NABARD manages the National Adaptation Fund for Climate Change. Additionally, the Watershed Development Fund, established following successful Indo-German projects, supports sustainable land and water management practices to enhance rural livelihoods and resilience.

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100. (A) ₹ 40 crore (Cs)
For calculating the Credit Deposit Ratio at the district level for administrative monitoring, the indicator used is the total credit as per the place of sanction. While credit as per the place of utilization provides an alternative economic perspective, the place of sanction remains the standard metric for district-level reviews. This ensures consistency in reporting and performance assessment within the Lead Bank Scheme framework.

101. (A) Monitoring is a continuous review of implementation, while Evaluation determines relevance, efficiency, and impact.
Project monitoring and evaluation are two distinct but complementary processes in rural finance. Monitoring involves a continuous review of project activities to ensure they are proceeding according to the plan and timeline. In contrast, evaluation is a periodic assessment that focuses on determining the relevance, efficiency, and overall impact of the project in achieving its stated long-term developmental objectives and goals.

102. (C) ₹ 50 crore
The Tribal Development Fund was established by NABARD in 2003-2004 with an initial corpus of fifty crore rupees. This fund was created from NABARD's operating surplus to support sustainable livelihood projects in tribal regions, such as the development of small orchards. Over

May/June 2020

16. Arrange the following events related to the evolution of rural credit institutions in the correct chronological order:

I. Establishment of the first Land Mortgage Bank in Punjab.
II. Passing of the first Cooperative Societies Act.
III. Setting up of Local Area Banks in the private sector.
IV. Nationalization of 14 major commercial banks.

(A) II, I, IV, III
(B) II, IV, I, III
(C) I, II, III, IV
(D) IV, II, I, III

Oct/Nov 2017

17. Match the states in List I with the structural nature of their functional SCARDBs in List II:

List I: State
P. Gujarat
Q. Kerala
R. West Bengal
S. Chhattisgarh

List II: Structural Nature
1. Federal structure
2. Unitary structure
3. Merged with State Cooperative Bank
4. Mixed structure

(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-1, R-4, S-3
(C) P-2, Q-1, R-3, S-4
(D) P-3, Q-4, R-1, S-2

May/June 2014

18. A District Central Cooperative Bank is experiencing severe financial strain and seeks to improve its statutory standing. The bank requests the Reserve Bank of India to grant it the status of a scheduled bank to ease its borrowing constraints. How is RBI likely to respond based on the prevailing regulatory framework for STCCS?

(A) RBI will reject the request as DCCBs already have borrowing arrangements with StCBs, and scheduled status might undermine the apex bank.
(B) RBI will grant the scheduled status immediately to prevent the erosion of the cooperative movement and ensure the flow of credit to small farmers.
(C) RBI will direct NABARD to grant the scheduled status under Section 35 of the Banking Regulation Act, 1949, provided the bank meets liquid asset norms.
(D) RBI will approve the request conditionally, provided the DCCB achieves a minimum Capital to Risk-Weighted Assets Ratio of 9% and reduces its net NPAs.

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Oct/Nov 2010

19. Which of the following components should the bank NOT consider while determining the overall credit limit?

(A) Loan requirement for purchasing luxury household appliances unrelated to farming activities
(B) Crop cultivation expenses based on approved scale of finance for the specific crop
(C) Post-harvest expenses including storage and transportation
(D) Household consumption needs of the farmer within prescribed limits

May/June 2007

20. Which of the following is NOT a salient feature of the set-up of Farmers' Service Societies (FSS)?

(A) FSS management will exclude representatives from the neglected weaker sections of the rural population.
(B) FSS will maintain a compact area of operations covering approximately 10 to 20 villages for better credit outreach.
(C) FSS will establish multiple branches and aim to reach a business level of Rs. 10 million within 5 to 7 years.
(D) FSS will undertake both credit and non-credit operations, including agri-input supply and various agro-processing activities.

Oct/Nov 2022

21. The following question consists of two statements, Assertion (A) and Reason (R). Answer the question by choosing the most appropriate option:

Assertion (A): The Government of India initiated Phase III amalgamation of Regional Rural Banks (RRBs) in 2018-19 to adopt the principle of "one state-one RRB" in smaller states.

Reason (R): The Phase I and Phase II amalgamation programs resulted in the

(D) Cease all branch expansion in Tier 1 to 4 centres until 50% of total branches are successfully established in Tier 6 centres as per long-term strategic plans.

May/June 2006

32. Consider the following statements regarding the Kisan Credit Card (KCC) Scheme:

I. It was introduced in 1998 to enable farmers to get production credit in a timely and hassle-free manner.

II. Tenant farmers, oral lessees, and sharecroppers are explicitly excluded from being eligible for the issue of KC cards.

III. Post-harvest needs and consumption requirements of the farmer household are reckoned while fixing the card limit.

Which of the combinations given above is correct?

(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2018

33. Arrange the following events related to Commercial Banks and Rural Financing in chronological order:

I. Establishment of the Imperial Bank of India.

II. Nationalization of 14 major commercial banks.

III. Conversion of the Imperial Bank of India into the State Bank of India.

IV. Initiation of social control over commercial banks.

(A) I, III, IV, II
(B) I, IV, III, II
(C) III, I, IV, II
(D) I, II, III, IV

May/June 2024

34. Conceptually, why do traditional bankers often find the rural clientele base unappealing, despite the mandate for financial inclusion?

(A) Rural customers demand excessively high interest rates on their savings deposits compared to urban customers, leading to a higher cost of funds for the bank.

(B) Regulatory authorities strictly prohibit banks from using technology like Core Banking Solutions in rural regions to protect the privacy of farming communities.

(C) Rural customers prefer exclusive corporate banking products that are too complex to administer through the existing rural branch network and staff.

(D) Operational challenges like lack of collateral, credit history, and small transactions make service costly.

Oct/Nov 2007

35. According to the Agriculture Statistics published by GOI, the ground level credit flow for agriculture increased from Rs. 5.11 lakh crore during 2011-12 to over what amount during 2020-21?

(A) Rs. 10.00 lakh crore
(B) Rs. 12.50 lakh crore
(C) Rs. 15.00 lakh crore
(D) Rs. 16.50 lakh crore

May/June 2017

36. The following question consists of two statements, Assertion (A) and Reason (R). Answer the question by choosing the most appropriate option:

Assertion (A): Technology enables rural financial institutions to go where the customer is, instead of making the customer travel to a branch.

Reason (R): Innovations like 'Branch-On-Wheels' and wireless technology-based PDAs allow bankers to capture loan applications and provide services at the customer's doorsteps.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2015

37. Which of the following conceptual objectives is primarily associated with the establishment of Regional Rural Banks (RRBs)?

(A) To provide credit to small farmers and rural artisans to reduce dependence on money lenders.

(B) To solely finance corporate sector plantations and large-scale commercial poultry units to boost industrial-scale agricultural exports

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(C) Both I and II
(D) Neither I nor II

Oct/Nov 2020

27. Identify the incorrect pair regarding the Federations of Cooperative Banks:
(A) Board of Management of NCDC — Endowed with powers to amalgamate RRBs into cooperative banks.
(B) NAFSCOB — Facilitates operations of State and Central Co-operative Banks in the STCCS to ensure policy coordination and professional growth.
(C) National Cooperative Agriculture and Rural Development Banks Federation — Promotes the interest of SCARDBs in the LTCCS through advocacy.
(D) NCDC — Finances projects in rural industrial cooperative sectors and notifies services like water conservation to promote agricultural development.

May/June 2005

28. The following question consists of two statements, Assertion (A) and Reason (R). Answer the question by choosing the most appropriate option:
Assertion (A): RBI has issued guidelines permitting the amalgamation of one or more DCCBs with the StCB under specific conditions to facilitate delayering of the STCCS.
Reason (R): The amalgamation proposal must be examined and recommended by NABARD and requires the amalgamated entity to have a Gross NPA below 7% and Net NPA below 5%.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2011

29. The following question consists of two statements, Assertion (A) and Reason (R). Answer the question by choosing the most appropriate option:
Assertion (A): The Agriculture & Rural Development Banks (ARDBs) started financing rural non-farm sector projects in a big way in the 80s and 90s.
Reason (R): The financing of rural non-farm sector projects helped rural families increase their incomes substantially through value addition to their produce and alternate employment.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2019

30. What is the most appropriate reason why early Primary Agricultural Credit Societies (PACS) were eventually converted into limited liability societies?
(A) The All-India Rural Credit Review Committee observed that unlimited liability encouraged excessive risk-taking by the solvent members during periods of drought.
(B) Limited liability allowed the PACS to issue debentures in the open market to raise long-term capital without requiring explicit state government guarantees.
(C) The Reserve Bank of India mandated unlimited liability societies to merge with Commercial Banks to comply with the revised Banking Regulation Act, 1949.
(D) Unlimited liability restrained the society's willingness to liberalize loan policies, admit new members, or receive state contributions.

Oct/Nov 2009

31. Which of the following is the most appropriate step a scheduled commercial bank must take to comply with the RBI norm for opening Banking Outlets in unbanked rural centres (URCs)?
(A) Ensure that exactly 10% of all new ATMs installed are located in Tier 1 centres to cater to the high-density urban population requirements.
(B) Convert all existing urban branches into Part-time Banking Outlets to free up resources for the expansion of digital banking services in remote areas.
(C) Open at least 25% of the total Banking Outlets opened in the financial year in URCs.

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bank PPI issuer.
(C) Closed System PPI, issued by a proprietorship firm.
(D) Open System PPI, which can be issued by both banks and approved NBFCs.

May/June 2025

64. The following question consists of two statements, Assertion (A) and Reason (R). Answer the question by choosing the most appropriate option:
Assertion (A): The Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is a life insurance scheme offering coverage for death to individuals in the age group of 18-50 years.
Reason (R): The PMJJBY provides risk coverage of Rs. 2 lakh specifically for accidental death and full disability.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2013

65. Consider the following statements regarding the role of NABARD in Financial Inclusion:
I. It formulated schemes for financial literacy, knowledge dissemination, and creation of infrastructure.
II. It supports Financial Literacy efforts to augment demand for financial services, especially on digital platforms.
III. It provides standard participation share of FIF support for Scheduled Commercial Banks at 60% in non-Special Focus Districts.
IV. It restricts Rural Cooperative Banks to a maximum of 50% grant assistance under FIF in all districts.
Which combination of the statements given above is correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, and IV only

May/June 2016

66. A customer enrolled in PMSBY gave a one-time mandate for auto-debit of the premium. Before the successive May 31st renewal date, the customer's account balance falls below the required premium amount of Rs. 12. What is the likely consequence for the customer's insurance coverage?
(A) Auto-debit fails, and delayed renewal may require full premium payment under specific rules.
(B) The bank will provide an overdraft specifically for the premium, and coverage continues uninterrupted to ensure the customer remains protected under the social scheme.
(C) The coverage will be temporarily suspended but can be reinstated without paying the full annual premium later once the account balance is restored.
(D) The insurance company will waive the premium for that year as a gesture of financial inclusion and maintain the policy in an active state for the beneficiary.

Oct/Nov 2012

67. Consider the following statements regarding recent initiatives by banks in technology:
I. HDFC bank leveraged wearable devices to launch 'watch-banking' with its Apple watch.
II. SBI announced products such as SBI Buddy, SBI Mingle, and SBI Smart Watch.
III. ICICI Bank partnered with Emirates NBD to launch a blockchain pilot network for international remittances.
IV. Axis bank launched a multi-social payment app allowing transactions via Facebook and WhatsApp called '#PingPayKaro'.
V. IndusInd Bank launched facetime to allow customers to speak to managers directly through video conferencing.
Which combination of the statements given above is correct?
(A) I, II, III, and IV only
(B) II, III, IV, and V only
(C) I, III, IV, and V only
(D) I, II, III, IV, and V

May/June 2010

68. Consider the following statements regarding the Restructured Weather Based Crop Insurance Scheme (WBCIS):
I. It aims to mitigate the hardship of insured farmers against anticipated crop loss

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from rural regions.

(C) To act as a regulatory body overseeing the operations and financial health of Primary Agricultural Credit Societies at the village level.

(D) To focus exclusively on foreign exchange management and international remittances for the rural diaspora seeking to invest in traditional farming.

May/June 2013

38. The following question consists of two statements, Assertion (A) and Reason (R). Answer the question by choosing the most appropriate option:

Assertion (A): The profitability of Small Finance Banks (SFBs) measured by Return on Assets (ROA) is much higher than their peers in the banking segment.

Reason (R): SFBs benefit from a high percentage of Current Account Savings Account (CASA) deposits and suffer from a severe legacy of NPAs.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

(C) Assertion (A) is true, but Reason (R) is false.

(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2021

39. Which of the following encapsulates the core conceptual feature of a "Basic Savings Bank Deposit Account" (BSBDA)?

(A) An account that requires a minimum balance of Rs. 10,000 and allows unlimited free ATM withdrawals to ensure high-frequency transactions for urban users.

(B) An account strictly reserved for high net-worth individuals requiring overdraft facilities and personalized wealth management services from the bank's relationship managers.

(C) A corporate current account that cannot accept foreign remittances but provides high-interest returns on daily balances maintained by the company.

(D) A "no-frills" account with nil or low balances, aimed at furthering financial inclusion.

May/June 2008

40. Match the population-group wise classification of centres in List I with their corresponding population thresholds in List II:

List I: Centre Classification

P. Rural Centre

Q. Semi-urban centre

R. Urban centre

S. Metropolitan centre

List II: Population Threshold

1. Population from 10,000 to 99,999
2. Population of 1,000,000 and above
3. Population up to 9,999
4. Population from 100,000 to 999,999

(A) P-3, Q-1, R-4, S-2

(B) P-1, Q-2, R-3, S-4

(C) P-3, Q-4, R-1, S-2

(D) P-4, Q-3, R-2, S-1

Oct/Nov 2023

41. Which of the following is NOT an attribute of Prepaid Payment Instruments (PPIs) as classified by the Reserve Bank of India?

(A) Closed System PPIs do not permit cash withdrawal or redemption at any point of time during the validity of the instrument.

(B) Closed System PPIs are payment systems requiring explicit approval and authorization by the RBI.

(C) Semi-Closed System PPIs can be used for purchase of goods and services at a group of clearly identified merchant locations.

(D) Open System PPIs can only be issued by banks and facilitate cash withdrawal at ATMs/BCs as per the prescribed limits.

May/June 2022

42. Under the revised policy issued by RBI in May 2017, how is a 'Banking Outlet' for a Domestic Scheduled Commercial Bank technically defined regarding its operational hours?

(A) A delivery unit providing services for a minimum of 8 hours per day, for at least 6 days a week to ensure full-time availability in rural hubs.

(B) A mobile banking unit that visits unbanked rural centres for exactly 2 hours a week to provide basic cash withdrawal and account balance inquiry services.

(C) A fixed-point unit providing deposit and withdrawal services for at least 4 hours daily, 5 days a week.

reduction of the number of RRBs to exactly 45 by the year 2010.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2025

22. Which of the following is a correct statement regarding the shortcomings observed in the working of State Cooperative Banks (StCBs)?

(A) StCBs strictly avoid financing Cooperative Processing Societies to prevent high-level political interference in their day-to-day operations and credit decisions.
(B) Problems of lower tiers, like non-performing assets of DCCBs and PACS, often affect the StCBs' capacity to recycle funds.
(C) The deposits mobilized by StCBs are growing rapidly at a rate that eliminates their historical dependence on higher financing institutions like NABARD.
(D) StCBs rely exclusively on internal lendable resources and avoid adopting unsound investment methods that could jeopardize the stability of the rural economy.

Oct/Nov 2013

23. What are the regulatory criteria mandated by RBI for the amalgamation of DCCBs with a State Cooperative Bank?

I. The State Government must verify that there are no Court Orders prohibiting the proposal for amalgamation.
II. The amalgamated entity must have its CRAR above the prescribed regulatory minimum.
III. The amalgamated entity must possess a Gross NPA below 7% and Net NPA below 5%.
IV. The StCB should have strong governance and management practices.

Which combination of the statements given above is correct?

(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

May/June 2016

24. Consider the following statements regarding the debentures floated by SCARDBs:

I. Special Development Debentures (SDDs) are floated in respect of loans provided under the sporadic lending program.
II. Ordinary Development Debentures (ODDs) are subscribed by financial agencies like Life Insurance Corporation of India.
III. Both SDDs and ODDs are guaranteed by the State Governments.

Which of the combinations given above is correct?

(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2012

25. A state government plans to establish a new LAMPS in a hilly region to provide concessional finance and consumer requisites under a single roof. The designated compact area has a total population of 10,000. To comply with the membership norms for LAMPS, what must be the demographic composition of its members?

(A) Exactly 50% of the members must be tribals and 50% must be non-tribals.
(B) At least 70% of the members should be tribals and up to 30% may be non-tribals.
(C) The membership must consist entirely of tribal populations with no non-tribal members allowed.
(D) The membership is open to any rural artisan regardless of demographic classification, provided they hold shares worth Rs. 50.

May/June 2010

26. Consider the following statements regarding the functions of State Cooperative Banks (StCBs):

I. They act as a nodal agency for channelizing funds borrowed from RBI and NABARD to District Central Cooperative Banks and farmers through the PACS system.
II. They provide financial support to state-level cooperative federations and organizations such as cooperative sugar factories and handloom societies.

Which of the statements given above is/are correct?

(A) Only I
(B) Only II

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exceeds the permissible limits for accounts without full KYC documentation.

(D) Ask the customer to provide a guarantor from the same village before approving the withdrawal request to ensure compliance with anti-money laundering norms.

May/June 2009

48. A Domestic Scheduled Commercial Bank plans to shift its sole rural 'Banking Outlet' to a semi-urban location due to low footfall. What regulatory procedure must the bank follow to authorize this shift?

(A) Proceed immediately as banks have general permission to shift rural outlets at their discretion without seeking external validation or formal state approval.

(B) Obtain DCC/DLRC approval and ensure the banking needs of the centre continue to be met.

(C) Obtain explicit clearance from the National Bank for Agriculture and Rural Development (NABARD) only, regarding the potential impact on agricultural credit flow in the region.

(D) Pay a penalty fee to the Reserve Bank of India and close the outlet without further consultation with local government bodies or regional banking committees.

Oct/Nov 2016

49. A farmer applies for a Kisan Credit Card limit to cultivate crops on his owned acreage. According to the revised KCC guidelines by the Bhasin Working Group, which of the following components should the bank NOT include while fixing the farmer's overall card limit?

(A) Working capital for a retail grocery shop owned by a relative in a distant city.

(B) Crop production credit requirement assessed based on the scales of finance fixed by the District Level Technical Committee for the specific crop variety.

(C) Post-harvest needs of the farmer, including storage and transportation costs to the nearest regulated market or mandi.

(D) Consumption requirements of the farmer household, typically estimated as a percentage of the crop production credit component of the KCC limit.

NODIA

May/June 2021

50. Consider the following statements regarding Payment Banks:

I. They were set up based on the recommendations of the Nachiket Mor Committee.

II. They can accept demand deposits in the form of savings and current accounts.

III. They are permitted to issue credit cards and provide small consumption loans.

IV. The funds received as deposits are invested in government securities (SLR) to the extent of 75%.

V. They are registered under the Companies Act 2013 and governed by the Banking Regulation Act, 1949.

Which combination of the statements given above is correct?

(A) I, II, III, and V only

(B) I, II, IV, and V only

(C) II, III, IV, and V only

(D) I, III, IV, and V only

Oct/Nov 2006

51. Which of the following statements correctly identifies the application of Information and Communication Technology (ICT) in banking globally, as cited from other countries' experiences?

(A) Japan's Caixa Bank launched a mobile-only bank using Facebook and Twitter to connect with young consumers who prefer digital-only interactions.

(B) South Africa's Atom Bank introduced the humanoid robot 'Pepper' in its branches to automate customer service and reduce overhead costs.

(C) Spain's Mizuho Financial Group completely abolished all retail branches and operates strictly via USSD codes to serve the rural farming population.

(D) Philippines' Smart and Globe Telecoms offer e-wallets to transfer money and pay bills.

May/June 2011

52. Which of the following is NOT a condition governing the opening of 'Banking Outlets' by Domestic Scheduled Commercial Banks during a financial year?

(A) At least 25% of the total number of Banking Outlets opened during a financial year

should be in unbanked rural centres to promote financial inclusion.

(B) A 'Part-time Banking Outlet' opened in any Centre will be counted and added to the denominator as well as the numerator on a pro-rata basis for compliance.

(C) The first fixed point BC outlet of a bank as well as the first 'brick and mortar' branch opened in a URC will be reckoned for computing compliance.

(D) Banks require prior RBI permission in each case to open Banking Outlets in Tier 1 to Tier 6 centres.

Oct/Nov 2024

53. Match the ground level credit flow details to identify the correct pair:

(A) Target for FY 2022 — Total disbursement target of Rs. 15.00 lakh crore to ensure sufficient institutional credit for the entire agricultural community.

(B) Share of Commercial Banks in credit flow — Around 75%

(C) Share of Regional Rural Banks in credit flow — Around 50% of the total institutional credit provided to small and marginal farmers during the previous fiscal year.

(D) Gross bank credit outstanding growth in agriculture as of March 2021 — A growth rate of 0.4% which reflects a stagnation in rural lending activities.

May/June 2018

54. Which of the following is NOT a regulatory requirement for small accounts opened without completing normal KYC formalities?

(A) Total credits in such accounts should not exceed one lakh rupees in a year.

(B) Maximum balance in the account should not exceed fifty thousand rupees at any point of time.

(C) The total of debits by way of cash withdrawals and transfers will not exceed ten thousand rupees in a month.

(D) Foreign remittances cannot be credited to small accounts without completing normal KYC formalities.

Oct/Nov 2019

55. A migrant worker approaches a Payment Bank in his locality to deposit his monthly savings and simultaneously apply for a small loan to purchase a two-wheeler. How will the Payment Bank handle this request based on regulatory guidelines?

(A) The bank will accept the deposit but reject the loan application as they cannot issue loans.

(B) The bank will accept the deposit and sanction the two-wheeler loan up to a limit of Rs. 1 lakh, provided the worker provides a valid guarantee or collateral.

(C) The bank will reject both requests because Payment Banks deal exclusively in long-term government securities and are prohibited from serving individual retail customers.

(D) The bank will issue a credit card to the worker instead of a direct loan to facilitate the purchase through a digital payment channel as per RBI norms.

May/June 2012

56. Which of the following measures were implemented in the post-nationalization period to ensure the spread and outreach of the institutional credit system in rural areas?

I. Introduction of the Lead Bank Scheme and credit planning exercise at the district/block level.

II. Mainstreaming scheduled castes/scheduled tribes/minority communities.

III. Restricting the flow of loanable funds by increasing reserve requirements from NABARD.

IV. Implementing innovations like Micro-finance, Kisan Credit Card, and General Credit Card.

Which combination of the statements given above is correct?

(A) I, II, and III only

(B) II, III, and IV only

(C) I, II, and IV only

(D) I, III, and IV only

Oct/Nov 2005

57. What defines the innovative banking solution known as "Branch-in-a-box"?

(A) A relocatable pre-fabricated branch using satellite technology to provide full facilities.

(B) A lightweight cardboard box used to store physical ledgers in unbanked rural centres to prevent damage from moisture and pests in remote areas.

(C) A smartphone application that exclusively

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handles social media payments without requiring a bank account or the presence of a physical banking outlet.

(D) A mechanical locker system designed to hold cash deposits safely during power outages in rural areas where electronic vaults cannot function reliably.

May/June 2020

58. Which of the following statements regarding the Special Agricultural Credit Plans (SACP) is incorrect?

(A) The Reserve Bank of India strictly fixes the mandatory targets for each bank under the SACP mechanism.

(B) Public sector banks have been formulating SACP since 1994-95 to achieve marked improvement in credit flow to agriculture.

(C) Under SACP, banks are required to fix self-set targets for disbursement during a year (April-March).

(D) The introduction of SACP contributed to a substantial increase in the flow of credit to the agricultural sector by public sector banks.

Oct/Nov 2017

59. The DFI (Doubling of Farmers Income) strategy recommended by the Inter-ministerial Committee includes several sources of income growth. Which of the following are included in these sources?

I. Improvement in crop productivity and livestock productivity.

II. Resource use efficiency or savings in the cost of production.

III. Diversification towards high-value crops.

IV. Complete elimination of all non-farm occupations to focus strictly on agriculture.

Which combination of the statements given above is correct?

(A) I, II, and III only

(B) II, III, and IV only

(C) I, III, and IV only

(D) I, II, III, and IV

May/June 2014

60. Consider the following statements regarding Small Finance Banks (SFBs):

I. They facilitate furthering financial inclusion by providing savings vehicles primarily to unserved and underserved sections.

II. About 83% of their loan portfolio had a credit limit of up to Rs. 25 lakhs in March 2020.

Which of the statements given above is/are correct?

(A) Only I

(B) Only II

(C) Both I and II

(D) Neither I nor II

Oct/Nov 2010

61. Which of the following statements correctly identifies the trend in electronic and mobile banking payments as of the period 2018-2020?

(A) The share of electronic transactions in total transactions in volume terms decreased significantly to 50% as customers voluntarily reverted to cash.

(B) Banks halted investments in Point-of-Sale (PoS) terminals due to a 36.2% decline in usage recorded during the 2018-19 financial year.

(C) Digital transactions via mobile banking saw sharp annual increases with value accelerating substantially.

(D) Direct benefit transfers using Aadhaar were discontinued due to low enrolment rates among the excluded population in remote tribal regions.

May/June 2007

62. A coconut tree climber suffers an accidental death on 15 December 2020. Under the modified Kera Suraksha Insurance Scheme (KSIS), what is the maximum insurance coverage amount his family is eligible to claim?

(A) Rs. 2 lakhs

(B) Rs. 3 lakhs

(C) Rs. 5 lakhs

(D) Rs. 10 lakhs

Oct/Nov 2022

63. A customer requires a Prepaid Payment Instrument that allows them to purchase goods from various unaffiliated merchants across the country and also withdraw cash from ATMs when needed. Which category of PPI must the customer opt for, and who is authorized to issue it?

(A) Open System PPI, which can only be issued by banks.

(B) Semi-Closed System PPI, issued by a non-

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(D) A branch office that remains open 24/7 strictly through automated teller machines and digital kiosks without the presence of human staff or banking officers.

Oct/Nov 2014

43. Which of the following represents the best rationale for mandating Payment Banks to invest 75% of their demand deposits in Statutory Liquidity Ratio (SLR) eligible government securities?

(A) To maximize high-yield speculative returns from the equity markets to fund the bank's rapid expansion into metropolitan and Tier-1 urban areas.

(B) To ensure safety and liquidity for small savings as they cannot generate income via lending.

(C) To fund the administrative expenses of the Business Correspondents managing the bank's outlets in remote regions where cash handling costs are high.

(D) To forcibly convert Payment Banks into Small Finance Banks within five years by creating a stable asset base of government-backed debt instruments.

May/June 2023

44. What is the fundamental concept underlying the establishment of Local Area Banks (LABs) in 1996?

(A) To replace the Regional Rural Banks entirely and centralize rural credit under a single administrative authority to improve operational efficiency and monitoring.

(B) To act exclusively as investment vehicles for foreign direct investment in the rural non-farm sector to modernize traditional village-level cottage industries.

(C) To provide long-term investment credit solely for purchasing heavy agricultural machinery and establishing large-scale cold storage facilities in rural clusters.

(D) To provide institutional mechanisms for promoting savings and credit for local viable activities.

Oct/Nov 2008

45. Match the technological innovations in List I with their defining descriptions in List II:

List I: Innovation

P. Gram-tellers

Q. USSD

R. APBS

S. UPI 123Pay

List II: Description

1. A payment system for feature phone users based on IVR, missed call, or sound-based approaches.
2. Aadhaar Bridge Payment System used for electronically channelizing Government benefits.
3. Rural ATMs developed at IIT Madras to reach out to customers through biometric sensors.
4. Unstructured Supplementary Service Data protocol used to communicate with the mobile network operator's computers.

(A) P-3, Q-4, R-2, S-1

(B) P-3, Q-4, R-1, S-2

(C) P-4, Q-3, R-2, S-1

(D) P-2, Q-1, R-4, S-3

May/June 2015

46. A Regional Rural Bank (RRB) operating in a single district seeks to expand its capital base, acquire strength to augment its level of business, and achieve economies of scale. According to the structural reforms initiated by the Government of India, what process is most suitable for this RRB to attain a sustainable level of profitability?

(A) Conversion into a Local Area Bank (LAB).

(B) Amalgamation with other RRBs operating within the state.

(C) Relinquishing its banking license to operate as a Business Correspondent.

(D) Merging directly with the State Cooperative Bank (StCB).

Oct/Nov 2025

47. An illiterate customer opens a small account at a CBS-linked branch without valid officially documented proof of identity. During the first month, the customer attempts to withdraw Rs. 12,000 in a single transaction after a total deposit of Rs. 15,000. What action must the bank take?

(A) Allow the transaction as the balance is within the Rs. 50,000 limit and the customer's identity has been locally verified by village elders.

(B) Deny the transaction as monthly debits for a small account cannot exceed Rs. 10,000.

(C) Close the account immediately for attempting a high-value withdrawal that

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resulting from adverse weather conditions.
II. It uses weather parameters as a "proxy" for crop yields in compensating cultivators for deemed crop losses.
III. Pay-out structures are developed to the extent of losses deemed to have been suffered using weather triggers.
IV. The claims process shall commence once the weather data is received from Weather Stations (RWS) or Backup Weather Stations (BWS).
V. Standard Claims are processed and paid within 45 days from the end of the risk period.

Which combination of the statements given above is correct?
(A) I, II, III, and IV only
(B) I, III, IV, and V only
(C) II, III, IV, and V only
(D) I, II, III, IV, and V

Oct/Nov 2020

69. Conceptually, what is the primary disadvantage of the "Full-service model" compared to other microinsurance delivery methods?
(A) The model bears highest risk as the scheme manages both design and delivery.
(B) It relies entirely on clients to run operations, leading to administrative chaos and high default rates in premium collections across the local network.
(C) The agent retains all responsibility for design, leaving the scheme with no control over the quality or pricing of the microinsurance products offered.
(D) It limits the scale of operations strictly to life micro insurance and prohibits the inclusion of health or asset-based coverage for the rural population.

May/June 2005

70. A regional rural bank operating in an aspirational, Left Wing Extremism (LWE) affected district applies for grant assistance under the focused Financial Inclusion Fund (FIF) interventions of NABARD. What enhanced rate of grant assistance is the bank eligible for?
(A) 60%
(B) 80%
(C) 90%
(D) 100%

Oct/Nov 2011

71. Which of the following statements correctly identifies the market share dynamics within the microfinance sector as of March 31, 2020?
(A) NBFC-MFIs and Scheduled Commercial Banks held a 72% combined share.
(B) Not-for-profit MFIs held the absolute majority with a 90% market share following the rapid expansion of social enterprises in the rural north-east regions.
(C) Small Finance Banks lost their entire microfinance portfolio due to new RBI regulations mandating a shift toward corporate lending for urban infrastructure.
(D) The overall Gross Loan Portfolio of MFIs dropped significantly to Rs. 1.79 lakh crore as institutional investors withdrew from the rural credit market.

May/June 2019

72. Consider the following statements regarding technology risk management and cyber security in the banking sector:
I. RBI issued guidelines mandating cyber security preparedness, noting that implementation should be risk-based and commensurate with the bank's nature and scope of activities.
II. The Indian Computer Emergency Response Team (CERT-In) identifies Banks/Financial Institutions as non-critical infrastructure to prioritize other sectors.

Which of the statements given above is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2009

73. Which of the following statements about the Coconut Palm Insurance Scheme (CPIS) is incorrect?
(A) It is implemented as a full-fledged component scheme of the National Crop Insurance Program.
(B) The sum insured is based on the average input cost of the plantation and the age of the specific plant.
(C) Fifty percent of the premium is contributed by GOI, 25% by the state government, and the remaining 25% by the farmer.

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'imaginBank' using social media.
4. A retail bank intending to have no branches, transacting purely through a mobile app.

(A) P-3, Q-1, R-4, S-2
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-4, R-1, S-3

May/June 2024

118. Which of the following statements is correct regarding the Grievance Redressal Machinery under the BC model?
(A) Complaints about services rendered by the BCs should be strictly kept confidential and not publicized to prevent reputational damage to the sponsoring bank.
(B) If a complainant does not get a satisfactory response from the bank within 30 days, he must file a civil lawsuit instead of approaching the Banking Ombudsman.
(C) BCs are authorized to establish their own independent grievance redressal boards, which can supersede the bank's authority in matters of customer dispute.
(D) The contact details of the bank's Grievance Redressal Officer must be widely publicized to ensure genuine issues are redressed.

Oct/Nov 2007

119. An organization appoints salaried agents to deliver micro insurance products to low-income groups, taking complete charge of design, delivery, and retaining all the risks associated with the products. Which microinsurance delivery method does this closely resemble conceptually?
(A) All-in-one insurance model where the provider manages the entire lifecycle.
(B) Partner-agent model where a commercial insurance company uses the organization as a distribution channel while retaining the primary risk of the policies.
(C) Provider-driven model where healthcare facilities or agricultural input providers bundle insurance with their primary services to ensure customer loyalty.
(D) Community-based model where the insured members collectively design the coverage terms and manage the fund through a decentralized local committee.

May/June 2017

120. Which of the following statements concerning Small Finance Banks (SFBs) is incorrect?
(A) The NPA ratio of SFBs has been extremely high since their inception, reflecting poor management of credit risk.
(B) SFBs are catering to economic sectors like agriculture and small-scale trade which are relatively under-served by other Scheduled Commercial Banks.
(C) Their percentage of Current Account Savings Account (CASA) remains lower than other Scheduled Commercial Banks.
(D) There is a noticeable trend of dissipating concentration in recent years, with some small-sized SFBs posting higher asset growth compared to their larger counterparts.

NODIA

Oct/Nov 2015

121. What is the best rationale behind the RBI guideline stating that the commission structure for Business Correspondents (BCs) should not be driven purely by the mere increase in the number of clients served or transaction volume?
(A) To prevent BCs from earning any profit and keep them reliant on bank subsidies, thereby ensuring they do not become independent of the sponsoring institution.
(B) To encourage BCs to charge undisclosed fees directly to customers for extra income, which reduces the bank's responsibility to pay a fair commission for services.
(C) To shift the financial burden entirely onto the State Governments, requiring them to provide monthly stipends to all BCs operating within their administrative zones.
(D) To combine fixed and variable remuneration based on satisfaction, preventing mis-selling.

May/June 2013

122. Which of the following statements correctly identifies the application of the Financial Inclusion Fund (FIF) operated by NABARD?
(A) It strictly prohibits the reimbursement of examination fees for Business Correspondents to ensure that only self-funded professionals enter the banking sector.
(B) It mandates that all Regional Rural Banks must independently fund their financial literacy camps without any FIF support to

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May/June 2013

80. A farmer insured his crops under the PMFBY. The crops were kept in "cut & spread" condition to dry in the field, but heavy unseasonal rain destroyed them entirely. Up to how many days from harvesting is coverage available for such post-harvest losses?
(A) 7 days
(B) 14 days
(C) 21 days
(D) 30 days

Oct/Nov 2021

81. Conceptually, which of the following is NOT an essential feature of microfinance loans?
(A) They are of small amounts.
(B) They possess short tenures.
(C) They are extended with heavy collateral requirements.
(D) The frequency of loan repayments is greater than that for traditional commercial loans.

May/June 2008

82. Which is the most appropriate working definition of Financial Inclusion as provided based on the Rangarajan Committee's considerations?
(A) Ensuring access to credit and financial services for vulnerable groups at an affordable cost.
(B) The process of opening a high-value savings account for every individual residing in metropolitan centres to improve the overall banking density of the country.
(C) The exclusive promotion of digital wallets and contactless payment systems among tech-savvy youth in urban areas to reduce the economy's cash dependence.
(D) The mandatory conversion of all rural cooperative credit societies into scheduled commercial banks to ensure uniform regulatory oversight and capital adequacy.

Oct/Nov 2023

83. The following question consists of two statements, Assertion (A) and Reason (R). Answer the question by choosing the most appropriate option:
Assertion (A): RBI has been supporting the development of a BC Registry as a vital step in the Business Correspondent structure.
Reason (R): A BC Registry would ensure greater oversight on the functioning of BCs and provide more confidence to the end-customers.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2022

84. Which of the following is NOT identified as a challenge in the delivery of micro insurance products?
(A) Wrong selection of products and poor infrastructure facilities leading to high administrative costs for the insurance providers in remote locations.
(B) Lack of availability of data related to potential claims from properly designing good quality products that are affordable for low-income segments.
(C) The hyper-stability of farm labourers who never migrate, making product portability irrelevant.
(D) Delay in settlement of claims due to delay in submission of requisite documents such as death certificates or official police reports from rural areas.

Oct/Nov 2014

85. Match the rural insurance schemes in List I with their key provisions in List II:
List I: Insurance Scheme
P. Pradhan Mantri Fasal Bima Yojana (PMFBY)
Q. Coconut Palm Insurance Scheme (CPIS)
R. Unified Package Insurance Scheme (UPIS)
S. Kera Suraksha Insurance Scheme (KSIS)
List II: Key Provision
1. Includes seven sections where crop insurance is compulsory, and farmers can choose at least two other products.
2. Covers yield losses due to non-preventable risks with technology usage like smart phones for crop cutting data.
3. Provides accidental death insurance coverage of Rs. 5 lakhs for coconut tree climbers.
4. Insurance coverage extended to the total loss of individual palm, targeting plants aged 4 to 60 years.

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(D) Farmers are eligible to participate only if they have at least one health nut bearing palm in non-contiguous plots.

May/June 2006

74. Consider the following statements regarding the infrastructure for digital transactions and inclusion:

I. GOI announced a scheme for deployment of 20 lakh BHIM Aadhar Pay devices including merchant onboarding.

II. UIDAI directed banks to set up Aadhaar Enrolment Update centers at a minimum of 10% of their branches.

III. VSAT deployment and Mobile Signal Booster deployment are supported by FIF under Regulatory Infrastructure Support.

Which of the combinations given above is correct?

(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2018

75. A 45-year-old bank account holder opts for the Pradhan Mantri Suraksha Bima Yojana (PMSBY). He unfortunately suffers an accident leading to the total and irrecoverable loss of sight of one eye. What benefit is he entitled to under the scheme?

(A) Rs. 2 Lakh
(B) Rs. 1 Lakh
(C) Rs. 50,000
(D) No benefit, as the loss is not of both eyes.

May/June 2024

76. Identify the incorrect pair regarding the classification of Prepaid Payment Instruments (PPIs):

(A) Closed System PPIs — Issued by an entity for facilitating the purchase of goods and services from that entity only.

(B) Semi-Closed System PPIs — Do not permit cash withdrawal, irrespective of whether issued by banks or non-banks to maintain transactional security.

(C) Open System PPIs — Shall be only issued by banks and can be used for purchase of goods and remittance facilities through various networks.

(D) Open System PPIs — Can be issued by non-bank entities for cash withdrawal at any merchant.

Oct/Nov 2007

77. Which of the following represents the most accurate objective of the Rashtriya Swasthya Bima Yojana (RSBY)?

(A) To provide life insurance coverage of Rs. 2 lakhs for accidental death to unorganized sector workers who maintain a minimum bank balance.

(B) To offer crop insurance for commercial and horticultural crops at a flat 5% premium to ensure financial stability for small-scale plantation owners.

(C) To compensate coconut tree climbers for accidental injuries resulting in partial disability through a state-sponsored direct benefit transfer system.

(D) To provide health insurance to BPL families against liabilities arising from hospitalization.

May/June 2017

78. Under the standard scheme operated by NABARD under the auspices of the Financial Inclusion Fund (FIF), which of the following is NOT covered under the "Banking Technology Adoption" support?

(A) Deployment of micro-ATMs.
(B) Dual Authentication facility at BC Point.
(C) On-boarding to BHIM UPI.
(D) Providing free smartphones to all rural customers for accessing banking apps.

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Oct/Nov 2015

79. Conceptually, how does micro insurance differ from traditional insurance?

(A) Micro insurance exclusively covers high-net-worth individuals against stock market volatility using specialized high-premium derivative products.

(B) It protects low-income people against perils for premiums proportionate to risk.

(C) Micro insurance provides unlimited coverage amounts for natural disasters without requiring any premium payments or formal contract sign-ups.

(D) Micro insurance only offers property insurance and strictly prohibits any form of life coverage as per international regulatory norms for small-scale finance.

Oct/Nov 2016

91. The following question consists of two statements, Assertion (A) and Reason (R). Answer the question by choosing the most appropriate option:
Assertion (A): The distance between the place of business of a retail outlet/sub-agent of BC and the base branch should ordinarily not exceed 30 kms in rural, semi-urban, and urban areas.
Reason (R): This distance criterion is implemented with a view to ensuring adequate supervision over the operations and activities of the retail outlet/sub-agent of BCs by banks.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2021

92. Regarding the progress under the Pradhan Mantri Jan Dhan Yojana (PMJDY) as of 1 Dec 2021, which of the following statistics is NOT factual?
(A) Total PMJDY accounts opened amounted to 44.00 crores.
(B) Deposits in these accounts amounted to Rs. 1,46,959.63 crores.
(C) The number of accounts from rural and semi-urban areas constituted exactly 20% of the total accounts.
(D) The number of RuPay Debit Cards issued to beneficiaries stood at 31.13 crores.

Oct/Nov 2006

93. Which of the following entities is NOT eligible to act as a Business Correspondent (BC) for banks?
(A) NGOs and MFIs set up under Societies/ Trust Acts.
(B) Post Offices.
(C) Registered NBFCs that actively accept public deposits.
(D) Section 25 companies.

May/June 2011

94. Which of the following is NOT an aspect of the rural financial literacy initiatives undertaken by banks?
(A) Covering messages that are part of the Financial Awareness Messages (FAME).
(B) Promoting the two digital platforms: UPI and the *99# USSD based mobile banking service.
(C) Mandating all rural customers to purchase smartphones to participate in literacy camps.
(D) Setting up Financial Literacy Centres (FLCs) tailored for groups like farmers, SHGs, and school students.

Oct/Nov 2024

95. A villager uses the services of a Business Correspondent to deposit funds into his account. The transaction fails, but the cash is retained by the BC. The villager lodges a complaint with the bank's Grievance Redressal Officer. If the bank fails to provide a satisfactory response, after how many days does the villager have the option to approach the Banking Ombudsman?
(A) 15 days
(B) 30 days
(C) 45 days
(D) 60 days

May/June 2018

96. A tribal farmer in Madhya Pradesh approaches his local Large-Sized Adivasi Multi-Purpose Co-operative Society (LAMPS) for a loan to purchase seeds and fertilizers. Under what terms does LAMPS typically provide such finance?
(A) At high commercial interest rates comparable to private money lenders to ensure the society's long-term financial viability in remote and high-risk regions.
(B) At a concessional rate of interest covering short-term agricultural operations.
(C) Without any interest, as the society's operational costs are completely funded by a direct grant from the Central Government for tribal welfare initiatives.
(D) By demanding the farmer's land title as collateral before sanctioning any credit amount to mitigate the risks associated with crop failure in rain-fed areas.

Oct/Nov 2019

97. Consider the following statements regarding the geographical spread of MFI loan portfolios in India:
I. East, North-East, and South India account

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for 67% of MFIs' loan portfolio.

II. Among different states, Maharashtra holds the largest share of the microfinance loan portfolio.

Which of the statements given above is/are correct?

(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2012

98. Match the acronyms in List I with their accurate expansions or functions in List II:

List I: Acronym

P. AEBA
Q. SFDS
R. LDM
S. AUA/KUA

List II: Expansion/Function

1. Lead District Manager who attends block level meetings to obtain feedback.
2. Aadhaar Enabled Bank Accounts for channelizing Government benefits.
3. System Functional Design Specification describing how a process operates.
4. Membership supported under the FIF for regulatory infrastructure.

(A) P-2, Q-3, R-1, S-4
(B) P-3, Q-2, R-4, S-1
(C) P-1, Q-4, R-2, S-3
(D) P-4, Q-1, R-3, S-2

Oct/Nov 2005

99. The following question consists of two statements, Assertion (A) and Reason (R). Answer the question by choosing the most appropriate option:

Assertion (A): Many State Cooperative Banks (StCBs) are faced with the problem of poor recoveries at their level.

Reason (R): StCBs have adopted defective loan policies and procedures like improper loan appraisal and lack of supervision methods while financing Cooperative Processing Societies and State Federations.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2020

100. Match the operational aspects of the BC model in List I with their regulatory guidelines in List II:

List I: Operational Aspect

P. Due Diligence
Q. KYC and AML procedures
R. Customer Grievance
S. Variable Remuneration

List II: Regulatory Guideline

1. Option to approach the Office of the Banking Ombudsman if not resolved within 60 days.
2. May be deferred or clawed back in case of deficiency of service.
3. Carried out on the individuals/entities prior to their engagement.
4. Ensuring compliance remains the ultimate responsibility of banks.

(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-3, Q-1, R-4, S-2

Oct/Nov 2017

101. Which of the following statements regarding the Indian Computer Emergency Response Team (CERT-In) is incorrect?

(A) It acts as the sole licensing authority for Payment Banks and Small Finance Banks.
(B) It monitors Indian cyberspace to tackle the menace of cyber-attacks.
(C) It coordinates alerts and provides warnings of imminent attacks.
(D) It detects malicious attacks among public and private cyber users and organizations.

May/June 2014

102. A bank engages a local cooperative society as a Business Correspondent. The BC is tasked with collecting small value deposits from villagers. What critical safeguard must the BC observe regarding cash collection as per RBI guidelines?

(A) BCs must issue receipts for the bank and ensure all transactions are reflected in bank books by day-end.
(B) The BC must hold the cash for at least a week before remitting it to the bank to ensure accumulation and reduce the frequency of

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transit to the base branch.

(C) The BC can charge a direct 5% cash handling fee from the customer to cover transit risks and the administrative costs of managing the village-level outlet.

(D) The BC is not required to observe KYC norms since the transactions are of small value and are conducted within a closed community where members know each other.

Oct/Nov 2010

103. Conceptually, why are Local Area Banks (LABs) required to adhere to prudential norms, accounting policies, and IRAC norms as laid down by RBI?

(A) Because they act as agents of the State Government and manage public subsidies intended for the development of small-scale industries and rural infrastructure.

(B) To ensure operational viability and financial sustainability while functioning as institutional mechanisms in the private sector.

(C) Because they are federally structured under the State Cooperative Banks and must align their accounting years with the apex cooperative banking system.

(D) To automatically qualify for amalgamation with Regional Rural Banks within a decade of their establishment as per the long-term consolidation goals of the GOI.

May/June 2007

104. Which of the following statements regarding the Pradhan Mantri Fasal Bima Yojana (PMFBY) is incorrect?

(A) The scheme aims to stabilize the income of farmers to ensure their continuance in farming by providing a safety net against crop failure.

(B) The scheme provides comprehensive risk insurance to cover yield losses due to non-preventable risks like drought, flood, pests, and diseases.

(C) There will be an exemption from Service Tax liability for all the services involved in the implementation of the scheme to reduce overall costs.

(D) Farmers pay exceptionally high premiums to cover the full insured amount without any form of government subsidy or state assistance.

Oct/Nov 2022

105. What is the most appropriate purpose of the Jan Dhan Darshak (JDD) App provided to banks?

(A) To track the live stock market prices for rural investors and provide automated trading advice based on historical performance of agricultural stocks.

(B) To act as a primary interface for international wire transfers for PMJDY account holders seeking to send money to family members working overseas.

(C) To provide a platform for banks to upload the GIS locations of branches, BCs, and ATMs.

(D) To replace the RTGS and NEFT systems completely in rural regions with a blockchain-based decentralized settlement system to ensure faster transactions.

May/June 2025

106. What is the most appropriate objective behind RBI permitting banks to formulate schemes using Business Facilitators and Business Correspondents?

(A) To eventually privatize all Regional Rural Banks and consolidate their assets into the private commercial banking system for better financial returns.

(B) To ensure financial inclusion and increase MFI outreach cost-effectively.

(C) To bypass the Core Banking Solution (CBS) requirements for rural branches to reduce the initial infrastructure cost of setting up new banking outlets.

(D) To allow non-governmental organizations to issue large-scale corporate loans without RBI oversight to stimulate industrial growth in backward rural districts.

Oct/Nov 2013

107. Which of the following accurately describes a 'Part-time Banking Outlet' as per RBI's revised policy?

(A) An outlet that does not provide services for at least 4 hours daily, 5 days a week.

(B) An outlet that functions exclusively for the encashment of cheques for exactly 2 hours every Sunday to facilitate the needs of local traders and small shopkeepers.

(C) An automated teller machine (ATM)

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installed in a rural area that occasionally dispenses cash based on the availability of cellular network and electricity.

(D) A Business Correspondent acting solely as an advisory center for government-sponsored loan schemes without handling physical cash or electronic transfers.

May/June 2016

108. Which of the following statements regarding the remuneration of Business Correspondents (BCs) is incorrect?

(A) The commission structure should be devised in a manner that mere increase in the number of clients served drives the entire commission.

(B) The banks may pay reasonable commission or fee to the BC, the rate and quantum of which may be reviewed periodically.

(C) The remuneration should combine fixed and variable parts dependent, inter-inter-alia, on some indication or measure of customer satisfaction.

(D) Some part of the variable remuneration could be deferred or clawed back in case of deficiency of service.

Oct/Nov 2012

109. Which is the most appropriate reason why banks are exploring the use of newer technology initiatives like "Branch-On-Wheels" or ATMs in mobile banking units?

(A) To completely eliminate the need for any human staff in the banking sector and transition to a fully automated AI-driven financial services delivery model.

(B) To bypass the RBI regulations regarding the establishment of fixed 'Banking Outlets' in unbanked rural centres through the use of non-stationary service points.

(C) To forcibly convert all rural cash transactions into cryptocurrency to align the village-level economy with global digital currency trends and modern fintech platforms.

(D) To reduce literacy requirements via biometric authentication and voice-guided animated screens.

May/June 2010

110. A private sector bank and a newly established private sector bank are reviewing their regulatory obligations regarding agricultural lending. According to RBI instructions initiated since 1994-95, which mechanism are public sector banks specifically required to formulate to achieve marked improvement in the flow of credit to agriculture?

(A) Lead Bank Annual Review Plan

(B) Rural Infrastructure Development Fund Target

(C) Special Agricultural Credit Plans (SACP)

(D) Microfinance Direct Benefit Transfer Scheme

Oct/Nov 2020

111. The following question consists of two statements, Assertion (A) and Reason (R). Answer the question by choosing the most appropriate option:

Assertion (A): Many Primary Agricultural Credit Societies (PACS) suffer from weakness and are non-viable due to inadequate membership and low capital.

Reason (R): PACS issue ordinary shares of very high value, making it impossible for small farmers to become members.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

(C) Assertion (A) is true, but Reason (R) is false.

(D) Assertion (A) is false, but Reason (R) is true.

May/June 2005

112. Which of the following guidelines must scheduled commercial banks comply with when engaging Business Correspondents (BCs)?

I. The banks may formulate a policy for engaging BCs with the approval of their Board of Directors.

II. Due diligence must cover aspects such as reputation, financial soundness, and cash handling ability.

III. The banks shall not be responsible for the actions of the BCs and their retail outlets/ sub agents.

IV. The agreement with the BC should specifically prohibit them from charging any fee to the customers directly for services rendered.

Which combination of the statements given above is correct?

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(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

Oct/Nov 2011

113. Consider the following measures mandated by RBI to protect the interests of customers under the BC model:

I. The retail outlet/sub-agent of the BC should be personally introduced to the members of public by bank officials in the presence of village elders.
II. A signage indicating their status as service providers for the bank must be posted at the retail outlet.
III. The charges for offering various services should be indicated in a brochure and made available at the retail outlets.
IV. The customer database and account details handled by a BC representing more than one bank must be kept separate with no co-mingling of data.
V. The bank should have a necessary Business Continuity Plan (BCP) in place to ensure uninterrupted service in case the agency arrangement is terminated.

Which combination of the statements given above is correct?
(A) I, II, III, and IV only
(B) II, III, IV, and V only
(C) I, III, IV, and V only
(D) I, II, III, IV, and V

May/June 2019

114. Which of the following statements regarding the amalgamation phases of Regional Rural Banks (RRBs) is incorrect?

(A) The Phase I program of amalgamation initiated in 2005-06 resulted in the reduction in the number of RRBs to 82 by the year 2010.
(B) GOI initiated amalgamation in Phase III in 2018-19, aiming at an eventual count of 15 RRBs across the country.
(C) The Phase II amalgamation program taken up during 2011-12 contributed to further reduction in the number of banks to 56 in the year 2014-15.
(D) Phase III amalgamation adopted the principle of "one state-one RRB" in smaller states.

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Oct/Nov 2009

115. Which of the following is a correct statement regarding the expanded functions of the National Cooperative Development Corporation (NCDC)?

(A) It strictly limits its financing to the production of major food grains, ignoring minor forest produce to maintain a focused investment strategy.
(B) Loans and grants are provided directly to individual farmers rather than through primary and secondary level cooperative societies to speed up credit delivery.
(C) NCDC relies entirely on outsourced technical and managerial capabilities to cater to day-to-day activities and strategic planning for the cooperative sector.
(D) Amended laws allow NCDC to finance rural industrial cooperatives and notified services like agri-insurance.

May/June 2006

116. Consider the following activities:

I. Collection and preliminary processing of loan applications.
II. Post-sanction monitoring and hand-holding of Self-Help Groups.
III. Receipt and delivery of small value cash remittances and other payment instruments.

Which of the activities given above fall strictly under the scope of the Business Facilitator Model?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2018

117. Match the global banks in List I with their technological innovations in List II:

List I: Global Bank
P. Caixa Bank (Spain)
Q. Softbank (Japan)
R. Atom Bank (UK)
S. Nedbank (South Africa)

List II: Technological Innovation
1. Developed the humanoid robot 'Pepper' for customer service.
2. Created the 'Branch-in-a-box' using broadband satellite technology.
3. Launching a mobile-only bank called

(A) P-2, Q-4, R-1, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-1, R-4, S-3

May/June 2023

86. Match the institutions in List I with their respective functions or definitions in List II:
List I: Institution
P. IDRBT
Q. NPCI
R. CERT-In
S. UIDAI
List II: Function/Definition
1. Monitors Indian cyberspace and coordinates alerts of imminent cyber-attacks.
2. Directed banks to set up Aadhaar Enrolment Update centers at 10% of branches.
3. Institute focused on the development of banking technology.
4. Specialized organization promoted by RBI for operating retail payments and settlement systems.

(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-3, Q-1, R-4, S-2
(D) P-1, Q-4, R-3, S-2

Oct/Nov 2008

87. Match the Social Security Schemes in List I with their specific coverage or premium details in List II:
List I: Scheme
P. PMJJBY
Q. PMSBY
R. RSBY
S. PMFBY
List II: Coverage/Premium Detail
1. Total sum insured of Rs. 30,000 per family per annum on a family floater basis.
2. Uniform premium of 2% for Kharif crops and 1.5% for Rabi crops.
3. Coverage for individuals in the age group of 18-50 years.
4. Premium payable is Rs. 12 per annum per member for accidental coverage.

(A) P-3, Q-4, R-1, S-2
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-3, Q-1, R-4, S-2

May/June 2015

88. Conceptually, what is the rationale behind RBI encouraging banks to set up Centres for Financial Literacy (CFLs) at the block level on a pilot basis?
(A) To replace the existing ATM network with physical counselling centers to reduce the operational costs associated with cash replenishment and maintenance.
(B) To address skewed distribution of FLCs and limited outreach with focused ground-level literacy.
(C) To distribute free agricultural implements and high-yield variety seeds directly to farmers during the awareness camps organized at the block level.
(D) To centralize all rural loan sanctioning processes at the block level to ensure that only financially literate customers can access institutional credit.

Oct/Nov 2025

89. Which of the following accurately describes the "Partner-agent model" in microinsurance delivery methods?
(A) The micro insurance scheme is in charge of everything, including design and delivery, while external healthcare providers manage day-to-day operations.
(B) The delivery and marketing are handled by the scheme, while the agent designs the products.
(C) The policy holders or clients run everything and work with external healthcare providers to offer services to the community without an intermediary.
(D) Organizations like MFIs provide their own micro insurance products by appointing salaried agents to manage all claims and administrative design functions internally.

May/June 2009

90. Under the Pradhan Mantri Fasal Bima Yojana (PMFBY), what is the uniform premium rate to be paid by farmers for annual commercial and horticultural crops?
(A) 1.5%
(B) 2%
(C) 5%
(D) 10%

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maintain financial independence.

(C) It supports VSAT and Solar power unit deployment for connectivity in Focus Districts.

(D) It is utilized to offset the non-performing assets of large commercial banks operating in metropolitan areas to maintain overall systemic stability in the banking sector.

Oct/Nov 2021

123. A bank is implementing the PMFBY and PMJJBY schemes for its rural customers. To streamline the process for farmers applying for both crop and life insurance, what specific mechanism does the pilot scheme of UPIS advocate?

(A) Processing through a complex multi-tier application system requiring explicit approvals from the Reserve Bank of India for every individual policy issued.

(B) Forcing farmers to visit the headquarters of the insurance companies in urban centers to provide physical signatures on multiple sets of documents for each policy.

(C) Utilizing a single window concept for accessing all insurance products through one proposal.

(D) Mandating the use of separate Business Correspondents for each type of insurance to maintain data segregation and prevent the accidental sharing of financial history.

May/June 2008

124. Which of the following is NOT a regulatory requirement for banks offering a "Basic Savings Bank Deposit Account" (BSBDA)?

(A) BSBDA must permit an unlimited number of free cash withdrawals in a month.

(B) Banks must make available basic banking "no-frills" accounts with nil or low minimum balances.

(C) Banks are required to convert the existing no-frill accounts into BSBDA.

(D) BSBDA should be offered to all customers without any discrimination based on their economic status.

Oct/Nov 2023

125. Which of the following statements about the Unified Package Insurance Scheme (UPIS) is incorrect?

(A) The pilot scheme includes seven sections, integrating coverage for crops, assets, and life.

(B) Once a farmer opts for mandatory crop insurance, they are prohibited from choosing any other insurance products within the same financial year.

(C) Crop insurance is a mandatory section within the scheme.

(D) It aims at providing financial protection and comprehensive risk coverage to farmers.

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Act in nineteen-oh-four. This was followed by the establishment of the first Land Mortgage Bank in Punjab in nineteen-twenty. Decades later, fourteen major commercial banks were nationalized in nineteen-sixty-nine. Finally, Local Area Banks were introduced in the private sector starting in nineteen-ninety-six.

17. (B) P-2, Q-1, R-4, S-3
The structural nature of long-term cooperative credit varies significantly across Indian states. Gujarat operates under a unitary structure, while Kerala maintains a federal structure. West Bengal utilizes a mixed structure to manage its agricultural development lending. In Chhattisgarh, the functions of the long-term structure have been merged with the State Cooperative Bank, reflecting different regional approaches to cooperative banking.

18. (A) RBI will reject the request as DCCBs already have borrowing arrangements with StCBs, and scheduled status might undermine the apex bank.
District Central Cooperative Banks are structured to operate within a tiered system where they borrow directly from State Cooperative Banks. Granting scheduled status to these district-level entities is generally avoided as it could bypass the intended hierarchical flow of funds. Such a change might undermine the role of the apex bank and disrupt the established cooperative credit delivery mechanism.

19. (A) Loan requirement for purchasing luxury household appliances unrelated to farming activities.
Under Kisan Credit Card guidelines, the credit limit is designed to support agricultural and related needs such as crop cultivation, post-harvest expenses, and reasonable household consumption. These components ensure smooth farming operations and livelihood support. However, expenses unrelated to agriculture, such as purchasing luxury household appliances, are not considered valid purposes and therefore are excluded while determining the overall credit limit.

20. (A) FSS management will exclude representatives from the neglected weaker sections of the rural population.
Farmers' Service Societies are designed to be inclusive and integrated rural financial institutions. They typically maintain a compact area of operations and aim for significant business growth over time. Their mandate includes providing both credit and essential non-credit services like agro-processing. Importantly, their management committees are structured to ensure representation from small farmers and other neglected weaker sections.

21. (C) Assertion (A) is true, but Reason (R) is false.
The consolidation of Regional Rural Banks has occurred in multiple distinct phases to improve operational efficiency and capital strength. While the government initiated a third phase of amalgamation in recent years to adopt the state-level principle for smaller regions, the historical reduction did not result in exactly forty-five banks by the year twenty-ten, as the targets and outcomes differed.

22. (B) Problems of lower tiers, like non-performing assets of DCCBs and PACS, often affect the StCBs' capacity to recycle funds.
State Cooperative Banks function as the apex institutions within the tiered cooperative credit structure. Their financial health is closely linked to the performance of the underlying District Central Cooperative Banks and Primary Agricultural Credit Societies. When these lower-tier institutions face high levels of non-performing assets, it directly impedes the apex bank's ability to effectively recycle funds for new lending.

23. (D) I, II, III, and IV
The amalgamation of cooperative banks requires strict adherence to regulatory standards to ensure financial stability. Criteria include verifying the absence of prohibiting court orders and maintaining capital adequacy above the regulatory minimum. Furthermore, the merged entity must exhibit healthy asset quality with low gross and net non-performing assets, supported by strong governance and management practices across the entire organization.

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seventy-one. These societies are managed by a committee that includes both government-nominated directors and elected representatives from tribal and non-tribal communities. This balanced governance structure ensures that the interests of the tribal population are adequately represented.

9. (B) I, II, IV, and V only
Agriculture and Rural Development Banks focus on investment credit and receive refinance support from the National Bank for Agriculture and Rural Development. These institutions are generally registered under Cooperative Societies Acts rather than as commercial banks. While providing long-term credit, they have expanded into crop and jewel loans. Voluntary inspections are conducted to ensure healthy lending practices across the sector.

10. (D) I, II, and III
The Expert Committee recommended significant reforms for the short-term cooperative credit structure. Key proposals included transforming Primary Agricultural Credit Societies into business correspondents and merging weak District Central Cooperative Banks that fail to meet capital adequacy norms. Additionally, the committee emphasized the need for all cooperative banks to adopt core banking solutions to provide modern services like electronic transfers.

11. (D) The operating RRBs stood at 43, with deposits at Rs. 4.78 lakh crore and loans at Rs. 2.98 lakh crore.
Following several phases of amalgamation, the number of operating Regional Rural Banks was consolidated to forty-three by March twenty-twenty. During this period, these banks collectively managed deposits totaling four point seven-eight lakh crore rupees and maintained loans and advances outstanding of two point nine-eight lakh crore rupees. This structural consolidation aimed to create stronger and more viable rural financial institutions.

12. (C) When the PACS are federated directly to the StCBs under a two-tiered cooperative structure in the absence of a middle tier.
The flow of financial assistance within the cooperative credit system depends on the organizational structure adopted by a specific state. In states where a middle tier, such as District Central Cooperative Banks, is absent, a two-tiered structure is utilized. In these instances, State Cooperative Banks provide direct financial support to Primary Agricultural Credit Societies to ensure rural credit availability.

13. (D) SCARDBs / PCARDBs — Provide long-term loans for minor irrigation, land development, and farm mechanization.
Within the Long Term Cooperative Credit Structure, specific institutions are designed to provide investment credit for agricultural development. State and Primary Cooperative Agriculture and Rural Development Banks play a crucial role by extending long-term loans. These funds are used for essential activities such as minor irrigation projects, land development initiatives, and the purchase of machinery for farm mechanization and modernization.

14. (C) To cater to the credit and non-credit needs of farmers at a single point, focusing on weaker sections and small farmers.
Farmers' Service Societies were established in nineteen-seventy-three with the primary goal of providing comprehensive support to the agricultural community. These societies act as a single-point source for both credit and non-credit requirements, such as inputs and technical guidance. They specifically target small and marginal farmers and other weaker sections to ensure they receive integrated services for improved productivity.

15. (D) A statutory corporation promoting and financing programs for agricultural produce and certain notified commodities.
The National Cooperative Development Corporation is a statutory body established under an Act of Parliament. Its core mandate involves planning, promoting, and financing various programs for the production, processing, marketing, and storage of agricultural produce. Additionally, it supports activities related to notified commodities and industrial cooperatives, functioning as a vital link in the development of the cooperative sector.

16. (A) II, I, IV, III
The evolution of rural credit in India began with the passing of the first Cooperative Societies

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ANSWERS

1. (D) They must obtain a branch license from the RBI prior to opening new branches within their area of operation.
District Central Cooperative Banks serve as the intermediate tier in the short-term cooperative credit structure. They provide functional assistance to affiliated societies and borrow from State Cooperative Banks. According to current regulatory norms, these banks are permitted to open new branches within their specific area of operation without requiring prior branch-specific licensing from the central bank.

2. (C) The operational efficiency of PACS is often very high due to the strict absence of personal and vested interests.
Primary Agricultural Credit Societies face several structural and operational challenges that hinder their effectiveness. These include inadequate membership, low capital base, and delays in loan disbursement. In reality, the operational efficiency is frequently compromised by personal and vested interests within the management committees, which contrasts with the notion of high efficiency or the absence of such influences.

3. (B) 20
Out of the thirty-three State Cooperative Banks currently operating across various states in India, twenty follow a three-tiered structure. In this arrangement, the apex bank connects with primary societies through District Central Cooperative Banks. The remaining thirteen banks operate under a two-tiered structure, where primary level societies are directly affiliated to the state-level apex cooperative bank.

4. (C) The financial discipline imposed based on recovery performance due to mounting overdues.
State Cooperative Agriculture and Rural Development Banks face specific eligibility criteria for undertaking fresh lending activities. These restrictions are primarily linked to their financial health and recovery performance. When overdues mount beyond permissible levels, financial discipline is imposed, limiting their capacity to provide new loans. This ensures that only institutions with sustainable recovery rates can extend further credit.

5. (A) P-4, Q-3, R-1, S-2
Farmers' Service Societies operate in compact areas to reach significant business levels, while Large-Sized Adivasi Multi-Purpose Societies require at least seventy percent tribal membership. Primary Agricultural Credit Societies often handle ration distribution under the public system. The National Cooperative Development Corporation serves as a statutory body for planning and promoting developmental programs, ensuring integrated progress across the cooperative sector.

6. (B) 1975-76
Regional Rural Banks were established following the recommendations of the Narasimham Working Group to bridge the credit gap in rural areas. They were launched in nineteen-seventy-five as a unique experiment to combine local feel with commercial banking professionalism. This initiative aimed to integrate the commercial banking system with social banking objectives, focusing specifically on small and marginal farmers.

7. (B) A two-tiered structure where the State Cooperative Bank functions as a Central Financing Agency with primary level societies directly affiliated to it.
In smaller states and Union Territories, the Short Term Cooperative Credit Structure is typically streamlined to enhance efficiency. This involves a two-tiered system where the State Cooperative Bank acts as the central financing agency. Under this model, Primary Agricultural Credit Societies are directly affiliated to the apex bank, eliminating the need for an intermediate district-level tier for credit disbursement.

8. (C) Both I and II
Large-Sized Adivasi Multi-Purpose Cooperative Societies were formed based on the recommendations of a specific committee on tribal cooperative structures established in nineteen-

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24. (B) II and III only
State Cooperative Agriculture and Rural Development Banks raise resources through the issuance of debentures. Ordinary Development Debentures are typically subscribed by institutional investors like the Life Insurance Corporation. These instruments, along with Special Development Debentures, are backed by State Government guarantees. However, Special Development Debentures are generally associated with specific development projects rather than sporadic lending programs for individual farmers.

25. (B) At least 70% of the members should be tribals and up to 30% may be non-tribals.
Large-Sized Adivasi Multi-Purpose Cooperative Societies are specialized institutions designed to serve tribal populations in hilly and backward regions. To maintain their focus on tribal welfare, membership regulations stipulate that at least seventy percent of the total members must belong to tribal communities. The remaining thirty percent of membership is open to non-tribal residents within the society's designated area.

26. (C) Both I and II
State Cooperative Banks serve as vital nodal agencies that channel funds from the central bank and the national agricultural bank to rural areas. They provide the necessary financial linkage between higher financing institutions and district-level banks. Beyond agricultural credit, they also offer crucial financial support to various state-level cooperative federations, including those involved in sugar production and handloom weaving.

27. (A) Board of Management of NCDC — Endowed with powers to amalgamate RRBs into cooperative banks.
Various federations and corporations support the cooperative sector through advocacy, policy coordination, and financial assistance. While organizations like NAFSCOB and the National Cooperative Agriculture and Rural Development Banks Federation focus on interest promotion and coordination, the National Cooperative Development Corporation finances rural projects. However, the power to amalgamate Regional Rural Banks resides with the central government, not the NCDC.

28. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
Regulatory guidelines permit the amalgamation of district-level cooperative banks with the state-level apex bank to streamline the credit structure. Such proposals require thorough examination by the national agricultural bank and must meet specific asset quality benchmarks, including low non-performing asset ratios. While these conditions facilitate the delayering process, the specific asset quality requirements serve as a financial safeguard.

29. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
During the late twentieth century, Agriculture and Rural Development Banks significantly expanded their lending to include the rural non-farm sector. This strategic shift aimed to diversify rural income sources beyond traditional crop cultivation. By financing diverse projects, these banks enabled rural households to achieve higher incomes through value addition and alternative employment, thereby improving the overall economic resilience of families.

30. (D) Unlimited liability restrained the society's willingness to liberalize loan policies, admit new members, or receive state contributions.
Early primary societies were often organized with unlimited liability, where members were collectively responsible for all debts. This structure eventually became a hindrance to growth as it made societies overly cautious. To encourage expansion, the admission of new members, and the receipt of state capital, many societies converted to limited liability models, which provided a more flexible framework for lending.

31. (C) Open at least 25% of the total Banking Outlets opened in the financial year in URCs.
Domestic scheduled commercial banks are required to focus on expanding their physical presence in underserved regions to promote financial inclusion. Regulatory guidelines mandate that at least one-quarter of the total

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to individuals aged eighteen to fifty. It provides a fixed coverage amount of two lakh rupees for death due to any cause. In contrast, accidental death and disability coverage are specifically handled by a different social security scheme, namely the Pradhan Mantri Suraksha Bima Yojana.

65. (A) I, II, and III only
The national agricultural bank plays a pivotal role in fostering financial inclusion through the Financial Inclusion Fund. This fund supports literacy efforts and the creation of digital infrastructure. Grant assistance is provided to various banks at different rates depending on the district classification. For scheduled commercial banks, the standard participation share for support is typically fixed at sixty percent in non-special focus districts.

66. (A) Auto-debit fails, and delayed renewal may require full premium payment under specific rules.
Social security insurance schemes like the Pradhan Mantri Suraksha Bima Yojana rely on an annual auto-debit mechanism for premium collection. If the account balance is insufficient on the renewal date, the auto-debit will fail, resulting in a lapse of coverage. To reinstate the insurance, the customer must ensure sufficient funds and may need to pay the full annual premium.

67. (D) I, II, III, IV, and V
Indian banks have proactively adopted various cutting-edge technologies to enhance customer experience and operational efficiency. These initiatives range from wearable banking devices and blockchain-based remittance pilots to social payment applications and video conferencing services. Such technological investments allow banks to offer a diverse array of modern financial products and services, catering to the evolving preferences of a digitally savvy population.

68. (D) I, II, III, IV, and V
The Restructured Weather Based Crop Insurance Scheme protects farmers against financial losses caused by adverse weather conditions. It utilizes specific weather parameters as proxies for crop yield to determine payouts. The claims process is streamlined through the use of data from established weather stations. Standard claims are processed within a fixed period after the risk period ends, ensuring timely compensation.

69. (A) The model bears highest risk as the scheme manages both design and delivery.
In the full-service model of microinsurance, the providing organization takes complete responsibility for every aspect of the product lifecycle. This includes designing the policy, collecting premiums, and managing the delivery of benefits. Because the organization retains all the operational and financial risks without an external partner, this model carries the highest level of risk compared to other delivery methods.

70. (C) 90%
The Financial Inclusion Fund provides targeted grant assistance to banks for implementing inclusion initiatives in challenging regions. In aspirational districts or areas affected by Left Wing Extremism, the rate of financial support is significantly enhanced to encourage deeper penetration. For Regional Rural Banks operating in these focus districts, the grant assistance can reach as high as ninety percent of the project cost.

71. (A) NBFC-MFIs and Scheduled Commercial Banks held a 72% combined share.
The microfinance landscape in India is characterized by a diverse range of institutional players. As of March twenty-twenty, the sector's gross loan portfolio was largely dominated by two major categories. Non-banking financial company microfinance institutions and scheduled commercial banks collectively accounted for seventy-two percent of the market, highlighting their significant role in providing small-ticket credit to low-income segments.

72. (A) Only I
The central bank emphasizes the importance of robust technology risk management and cyber security across the banking sector. Guidelines mandate that banks implement preparedness measures tailored to their specific scale and scope of activities. Contrary to being non-critical, financial institutions are recognized as part of the country's critical infrastructure, and specialized national agencies coordinate alerts to protect against cyber-attacks.

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40. (A) P-3, Q-1, R-4, S-2
Population-wise centre classification is essential for regulatory reporting and branch expansion planning. Rural centres are those with populations up to nine thousand nine hundred ninety-nine. Semi-urban centres range from ten thousand to nearly one lakh residents. Urban centres include populations up to nearly ten lakhs, while metropolitan centres are defined as those with one million or more residents.

41. (B) Closed System PPIs are payment systems requiring explicit approval and authorization by the RBI.
Prepaid Payment Instruments are classified into three main categories based on their functionality. Closed system instruments are issued by an entity for use only at its own outlets and do not allow cash withdrawals. Because these instruments are not used for third-party payments or settlements, they are generally exempt from the requirement of explicit authorization or approval from the central bank.

42. (C) A fixed-point unit providing deposit and withdrawal services for at least 4 hours daily, 5 days a week.
According to the revised regulatory framework, a banking outlet is defined as a fixed-point service delivery unit. To qualify as a full-fledged outlet, it must be manned by either bank staff or a business correspondent. Furthermore, the unit must provide essential services, including deposits and withdrawals, for a minimum of four hours every day for at least five days a week.

43. (B) To ensure safety and liquidity for small savings as they cannot generate income via lending.
Payment Banks are specialized institutions that are prohibited from undertaking lending activities or issuing credit cards. To protect the deposits of small savers, these banks are required to invest a minimum of seventy-five percent of their demand deposits in liquid government securities. This mandate ensures high safety and immediate liquidity, as the banks cannot generate revenue through traditional loans.

44. (D) To provide institutional mechanisms for promoting savings and credit for local viable activities.
Local Area Banks were introduced in the mid-nineties as private sector institutions with a specific regional focus. Their primary objective is to mobilize rural savings and channel them into local viable economic activities within a limited area of operation. By operating in a few contiguous districts, these banks aim to provide specialized and efficient institutional credit to the local community.

45. (A) P-3, Q-4, R-2, S-1
Technological advancements have introduced various tools for rural banking and government benefit transfers. Rural ATMs like Gram-tellers utilize biometric sensors for accessibility. Protocols like Unstructured Supplementary Service Data enable communication via basic mobile networks. The Aadhaar Bridge Payment System facilitates electronic benefit transfers, while specialized payment systems like UPI One-Two-Three Pay cater to feature phone users through various non-internet methods.

46. (B) Amalgamation with other RRBs operating within the state.
To improve the financial health and operational efficiency of Regional Rural Banks, the government has focused on structural consolidation. Amalgamating smaller or single-district banks with other RRBs within the same state allows these institutions to achieve economies of scale and a stronger capital base. This process helps create more viable entities capable of expanding their business and sustaining long-term profitability.

47. (B) Deny the transaction as monthly debits for a small account cannot exceed Rs. 10,000.
Small accounts are subject to specific monthly and annual transaction limits due to their simplified opening procedures. One critical restriction is that the total of all debits, including cash withdrawals and transfers, must not exceed ten thousand rupees in a single month. Therefore, any withdrawal attempt that surpasses this threshold must be denied by the bank to ensure regulatory compliance.

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banking outlets established during a financial year must be located in unbanked rural centres. This ensures that rural populations gain better access to essential savings and credit facilities.

32. (C) I and III only
The Kisan Credit Card scheme was launched in nineteen-ninety-eight to provide farmers with timely and flexible credit for cultivation. The credit limit is determined by considering crop production needs along with post-harvest and household consumption requirements. Contrary to exclusion, the scheme is inclusive and explicitly extends eligibility to tenant farmers, oral lessees, and sharecroppers to ensure broader credit outreach.

33. (A) I, III, IV, II
The development of commercial banking in rural India began with the Imperial Bank of India. This institution was later converted into the State Bank of India in nineteen-fifty-five. Subsequently, the government initiated social control over commercial banks in the late nineteen-sixties. This progression culminated in the nationalization of fourteen major commercial banks in nineteen-sixty-nine to ensure directed credit flow.

34. (D) Operational challenges like lack of collateral, credit history, and small transactions make service costly.
Extending financial services to rural areas presents unique difficulties for traditional banking institutions. Many rural customers lack formal credit histories or standard collateral, which increases the perceived risk for lenders. Additionally, the high frequency of small-value transactions and the geographical dispersion of clients result in higher operational costs, making the rural market less attractive despite the social mandate.

35. (C) Rs. 15.00 lakh crore
Ground level credit flow to the agricultural sector has seen a consistent and substantial increase over the past decade. Institutional efforts and government policies have driven this growth to ensure adequate funding for farming activities. By the financial year twenty-twenty to twenty-one, the total credit disbursed to agriculture surpassed fifteen lakh crore rupees, reflecting a massive expansion from previous years.

36. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Modern technology has revolutionized the delivery of financial services in rural areas by bringing banking directly to the customer. Innovations such as mobile banking units and wireless personal digital assistants allow bank officials to provide essential services at the doorstep. This approach eliminates the need for customers to travel long distances, thereby enhancing convenience and furthering the goals of inclusion.

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37. (A) To provide credit to small farmers and rural artisans to reduce dependence on money lenders.
Regional Rural Banks were established with a clear mandate to serve the credit needs of the rural population. Their primary objective is to provide institutional finance to small and marginal farmers, agricultural laborers, and rural artisans. By offering affordable credit, these banks aim to reduce the historical dependence of vulnerable rural groups on exploitative informal sources like local money lenders.

38. (C) Assertion (A) is true, but Reason (R) is false.
Small Finance Banks have demonstrated strong financial performance, often achieving higher returns on assets compared to traditional banking segments. This profitability is driven by their focus on high-yield underserved markets. However, these banks typically face challenges in building a high percentage of low-cost current and savings account deposits. Furthermore, they generally maintain better asset quality than the assertion of a severe legacy.

39. (D) A “no-frills” account with nil or low balances, aimed at furthering financial inclusion.
The Basic Savings Bank Deposit Account is a core component of the national financial inclusion strategy. It is designed as a simplified “no-frills” account that does not require a minimum balance. This facility ensures that even individuals with very low incomes can access formal banking services, facilitating safe savings and electronic transfers without the burden of high maintenance charges.

56. (C) I, II, and IV only
Following the nationalization of banks, several measures were introduced to enhance rural credit outreach. These included the Lead Bank Scheme for district-level planning and efforts to mainstream marginalized communities. Innovative tools like the Kisan Credit Card were also implemented. However, increasing reserve requirements would generally restrict rather than facilitate the flow of loanable funds, contradicting the objective of expanding credit.

57. (A) A relocatable pre-fabricated branch using satellite technology to provide full facilities.
The "Branch-in-a-box" is an innovative, relocatable, pre-fabricated banking unit designed for rapid deployment in remote or underserved areas. These units utilize satellite technology to provide a full range of banking facilities without the need for traditional brick-and-mortar infrastructure. This solution allows banks to establish a physical presence quickly and cost-effectively, furthering the reach of institutional finance.

58. (A) The Reserve Bank of India strictly fixes the mandatory targets for each bank under the SACP mechanism.
Special Agricultural Credit Plans were introduced in the mid-nineties to boost the flow of institutional credit to the farming sector. Under this mechanism, public sector banks are required to formulate their own plans and fix self-set targets for annual disbursements. The central bank monitors the progress of these plans, but the specific targets are determined by the individual banks themselves.

59. (A) I, II, and III only
The strategy to double farmers' income focuses on several growth drivers beyond traditional cultivation. Key sources include improving productivity in both crops and livestock, enhancing resource use efficiency to reduce costs, and diversifying into high-value crops. Rather than eliminating non-farm occupations, the strategy encourages diverse income streams to ensure holistic economic growth and improved financial stability for rural households.

60. (C) Both I and II
Small Finance Banks play a crucial role in promoting financial inclusion by serving segments that are often overlooked by larger commercial banks. They provide essential savings vehicles and credit to small-scale businesses and farmers. A significant majority of their loan portfolio consists of small-ticket loans, reflecting their mandate to provide credit access to unserved and underserved sections of the economy.

61. (C) Digital transactions via mobile banking saw sharp annual increases with value accelerating substantially.
The landscape of retail payments in India has undergone a significant transformation with a rapid shift toward digital channels. Between twenty-eighteen and twenty-twenty, mobile banking transactions experienced substantial annual growth in both volume and value. This trend highlights the increasing adoption of technology-driven financial services among consumers, supported by the expansion of digital infrastructure and user-friendly banking applications.

62. (C) Rs. 5 lakhs
The Kera Suraksha Insurance Scheme provides specialized accidental death and disability coverage for coconut tree climbers. Given the high-risk nature of their occupation, the scheme offers significant financial protection to the families of these workers. In the event of an accidental death during the covered period, the eligible family can claim a maximum insurance amount of five lakh rupees.

63. (A) Open System PPI, which can only be issued by banks.
Open System Prepaid Payment Instruments offer the highest level of functionality among all PPI categories. These instruments allow users to purchase goods and services from various merchants and facilitate cash withdrawals at automated teller machines. Due to the high risk and regulatory requirements associated with cash withdrawals, these specific instruments are only authorized for issuance by banking institutions.

64. (C) Assertion (A) is true, but Reason (R) is false.
The Pradhan Mantri Jeevan Jyoti Bima Yojana is a pure term life insurance scheme available

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48. (B) Obtain DCC/DLRC approval and ensure the banking needs of the centre continue to be met.
Shifting an existing rural banking outlet requires adherence to specific procedural guidelines to prevent any disruption in local financial services. Banks must obtain approval from the District Consultative Committee or the District Level Review Committee. Furthermore, the bank is responsible for ensuring that the banking needs of the original centre continue to be addressed through alternative arrangements or service points.

49. (A) Working capital for a retail grocery shop owned by a relative in a distant city.
The Kisan Credit Card limit is calculated based on specific agricultural requirements to ensure funds are used for productive purposes. The limit includes crop production credit, post-harvest expenses, and household consumption needs. However, the card is strictly intended for the farmer's own agricultural and allied activities. Providing working capital for a relative's unrelated business is not a permissible component.

50. (B) I, II, IV, and V only
Payment Banks were established based on committee recommendations to enhance financial inclusion through technology. These banks accept demand deposits and invest a large portion in government securities for safety. While they operate under the Banking Regulation Act, they are strictly prohibited from providing loans or issuing credit cards. This restriction distinguishes them from full-service commercial banks and small finance banks.

51. (D) Philippines' Smart and Globe Telecoms offer e-wallets to transfer money and pay bills.
Globally, telecommunications companies and banks have leveraged mobile technology to expand financial services to unbanked populations. In the Philippines, major telecom providers like Smart and Globe have successfully implemented e-wallet systems for money transfers and bill payments. These initiatives demonstrate how digital platforms can provide accessible and efficient alternatives to traditional branch-based banking in various international markets.

52. (D) Banks require prior RBI permission in each case to open Banking Outlets in Tier 1 to Tier 6 centres.
Under the current liberalized policy, domestic scheduled commercial banks generally have the freedom to open banking outlets in various tiers without seeking case-by-case permission. However, this flexibility is subject to certain conditions, such as ensuring that at least twenty-five percent of new outlets are in unbanked rural centres. Compliance is monitored on an annual basis rather than through individual approvals.

53. (B) Share of Commercial Banks in credit flow — Around 75%
The institutional credit delivery system for agriculture involves commercial banks, regional rural banks, and cooperative banks. Among these players, commercial banks maintain the most significant presence, accounting for approximately three-quarters of the total ground-level credit flow. This dominant share reflects their extensive branch networks and capacity to provide substantial funding for diverse agricultural and allied activities across the country.

54. (C) The total of debits by way of cash withdrawals and transfers will not exceed ten thousand rupees in a month.
Small accounts opened with simplified documentation are governed by strict operational limits to mitigate potential financial risks. These regulations include an annual credit limit of one lakh rupees and a maximum balance of fifty thousand rupees at any time. Regulatory conditions specify that the total monthly debits through cash withdrawals or transfers must not exceed the ten thousand rupee threshold.

55. (A) The bank will accept the deposit but reject the loan application as they cannot issue loans.
Payment Banks are specialized financial institutions designed to facilitate small savings and payments. While they are authorized to accept various demand deposits up to a prescribed limit, they are strictly prohibited from undertaking any lending activities. Therefore, such a bank can provide savings services to a customer but must deny any application for a personal or vehicle loan.

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73. (D) Farmers are eligible to participate only if they have at least one health nut bearing palm in non-contiguous plots.
The Coconut Palm Insurance Scheme provides specialized coverage for individual palms against various risks. The premium is shared between the central government, state government, and the farmer. While the scheme targets palms within a specific age range, eligibility requirements typically specify that farmers must have a minimum number of healthy, nut-bearing palms in a contiguous area to participate.

74. (A) I and II only
Government initiatives have significantly expanded the infrastructure for digital transactions and biometric identification. Schemes for widespread deployment of Aadhaar-based payment devices and the establishment of enrolment centres at bank branches have been prioritized. While the Financial Inclusion Fund supports various connectivity solutions, regulatory infrastructure support generally refers to different aspects of compliance and reporting rather than direct technology deployment.

75. (B) Rs. 1 Lakh
The Pradhan Mantri Suraksha Bima Yojana offers specific benefits for accidental death and various types of disability. For total and irrecoverable loss of sight in both eyes or loss of use of both hands or feet, the benefit is two lakh rupees. However, if the accident results in the loss of sight in only one eye, the entitled benefit is one lakh rupees.

76. (D) Open System PPIs — Can be issued by non-bank entities for cash withdrawal at any merchant.
Prepaid Payment Instruments are classified based on their scope of use and the issuing authority. Closed system instruments are merchant-specific, while semi-closed systems allow purchases at multiple identified merchants. Open system instruments are the most versatile, enabling both purchases and cash withdrawals. However, regulatory restrictions mandate that only banking institutions are permitted to issue open system instruments that allow cash withdrawals.

77. (D) To provide health insurance to BPL families against liabilities arising from hospitalization.
The Rashtriya Swasthya Bima Yojana was launched as a social security initiative to provide financial protection to families living below the poverty line. Its primary objective is to cover health-related liabilities arising from hospitalization. By providing insurance coverage for medical expenses, the scheme aims to prevent vulnerable households from falling deeper into poverty due to high out-of-pocket healthcare costs.

78. (D) Providing free smartphones to all rural customers for accessing banking apps.
The Financial Inclusion Fund supports various technological initiatives to modernize rural banking services. This includes funding for micro-ATMs, dual authentication systems at business correspondent points, and onboarding to digital payment platforms like BHIM UPI. However, the fund is generally used for institutional infrastructure and literacy efforts rather than for providing individual consumer devices like smartphones to the general public.

79. (B) It protects low-income people against perils for premiums proportionate to risk.
Micro insurance is a specialized form of financial protection designed specifically for low-income populations. Unlike traditional insurance, it offers coverage for specific perils with premiums that are proportionate to the level of risk and the financial capacity of the clients. This ensures that vulnerable groups can access affordable insurance products that are tailored to their unique economic needs and circumstances.

80. (B) 14 days
Post-harvest losses are a significant risk for farmers, and modern crop insurance schemes like the Pradhan Mantri Fasal Bima Yojana include specific provisions for this. Coverage is extended to crops that are harvested and kept in the field to dry in “cut and spread” conditions. In such cases, the insurance protects against losses caused by specific perils for up to fourteen days.

81. (C) They are extended with heavy collateral requirements.
Microfinance is characterized by specific loan features that cater to the needs of low-income

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CHAPTER 10

Financing Agriculture and Allied Activities

May/June 2010

1. What is the most appropriate reason for adopting an individual approach using advanced technology, rather than general norms, when assessing the repaying capacity of farmers raising high-value crops?

(A) High-value crops do not generate sufficient cash flows to meet standardized recovery schedules.

(B) The District Level Technical Committee prohibits the use of mass dispensation norms for any crop other than food grains.

(C) It eliminates the need for crop insurance and collateral securities.

(D) Repaying capacity in these situations is heavily affected by specific input-output ratios relevant to advanced technology.

Oct/Nov 2014

2. Which of the following is NOT specified as an approved delivery channel for drawing the Kisan Credit Card (KCC) limit?

(A) Operations through Business Correspondents and Ultra Small Branches

(B) Withdrawal through ATMs/debit cards

(C) Unsecured personal loans through third-party microfinance apps

(D) Operations through Point of Sale (POS) available with input dealers

May/June 2023

3. What was the primary purpose of introducing flexible measures to replace the traditional Normal Credit Limit (NCL) statements in the Cooperative Credit System?

(A) To strictly enforce uniform credit limits and standardized repayment schedules across all agro-climatic zones

(B) To eliminate the District Central Cooperative Banks (DCCBs) from the primary credit dispensation framework

(C) To simplify the cumbersome preparation process and address the varying credit needs of diverse agriculture

(D) To restrict the delegation of loan disbursement powers only to high-performing Primary Agricultural Credit Societies

Oct/Nov 2008

4. Consider the following statements regarding Post-harvest loans against Negotiable Warehouse Receipts (NWR):

I The scheme aims to discourage distress sale by small and marginal farmers.

II The loan is available for a period up to six months at the same rate of interest as crop loans.

III A farmer holding land up to one hectare is classified as a marginal farmer (MF).

IV The quantum of the loan shall not exceed 75% of the actual value of produce pledged.

V The benefit of interest subvention is available up to Rs. 5.00 lakh.

Which of the above statement(s) is/are correct?

(A) (I), (II), (III), and (IV) only

(B) (II), (III), (IV), and (V) only

(C) (I), (III), (IV), and (V) only

(D) (I), (II), (III), (IV), and (V)

May/June 2005

5. Consider the following statements regarding the preparation of Normal Credit Limit (NCL) statements:

I The preparation of NCL statements is compulsory for all cooperatives regardless of the varying credit requirements of members.

II Cooperatives can substitute the NCL by a simple loan application form from individual members, similar to commercial banks.

Which of the above statement(s) is/are correct?

(A) Only (I) is correct

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The commercial insurer designs the products and bears the financial risk, while the local partner handles marketing and delivery to the clients. This allows each party to leverage their specific strengths for efficient insurance provision.

90. (C) 5%
The Pradhan Mantri Fasal Bima Yojana uses a tiered premium structure to ensure affordability for farmers while providing comprehensive risk coverage. For food and oilseed crops, the premium rates are kept very low. However, for annual commercial and horticultural crops, which often involve higher investment and risk, the uniform premium rate to be paid by farmers is fixed at five percent.

91. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Distance criteria for business correspondents are implemented to ensure that banks can effectively supervise their activities and maintain service quality. Restricting the distance between the service point and the base branch allows for regular visits by bank officials and easier cash management. This proximity is crucial for maintaining oversight and ensuring that the operations of sub-agents remain compliant with banking regulations.

92. (C) The number of accounts from rural and semi-urban areas constituted exactly 20% of the total accounts.
The Jan Dhan Yojana has significantly expanded banking access, with total accounts and deposits reaching massive scales by twenty-twenty-one. A key success of the scheme is its focus on underserved regions. Contrary to being a small fraction, the vast majority of these accounts belong to residents in rural and semi-urban areas, reflecting the scheme's core mission of national financial inclusion.

93. (C) Registered NBFCs that actively accept public deposits.
Banks are permitted to engage various organizations as business correspondents, including non-governmental organizations and microfinance institutions. While many non-banking financial companies are eligible, those that are authorized to accept public deposits are specifically excluded. this restriction is intended to prevent potential conflicts of interest and ensure that the agency arrangement focuses solely on extending the reach of the sponsoring bank.

94. (C) Mandating all rural customers to purchase smartphones to participate in literacy camps.
Rural financial literacy initiatives focus on disseminating key awareness messages and promoting digital payment platforms like UPI and mobile banking services. Banks establish specialized centres to provide education tailored to different rural groups. These efforts are designed to be inclusive and accessible; therefore, they do not impose requirements for customers to own expensive devices like smartphones as a prerequisite for participation.

95. (D) 60 days
Banks are required to have a robust grievance redressal mechanism for all services, including those provided through business correspondents. If a customer lodges a complaint and does not receive a satisfactory response from the bank, they have the right to escalate the matter. The option to approach the Banking Ombudsman becomes available if the issue remains unresolved for thirty days.

NODIA

96. (B) At a concessional rate of interest covering short-term agricultural operations.
Large-Sized Adivasi Multi-Purpose Cooperative Societies are established to provide integrated services to tribal populations in hilly and backward areas. These societies offer essential credit for short-term agricultural operations, such as purchasing seeds and fertilizers. To support the economic development of these communities, the finance is provided at concessional interest rates, making it more affordable than informal credit sources.

97. (A) Only I
The microfinance sector in India exhibits a distinct geographical concentration, with a large majority of the loan portfolio located in the eastern, north-eastern, and southern regions. This distribution reflects the varying levels of institutional penetration and demand for small-ticket credit. While multiple states have significant microfinance activities, the overall

Oct/Nov 2010

12. Which of the following statements is incorrect concerning the flexible measures suggested for fixing scales of finance?
(A) The district can continue to be the unit for prescription of the scales of finance.
(B) The Technical Group within the DLTC should build a database and prepare detailed worksheets.
(C) Scales should be fixed with reference to resource constraints of the banks to ensure viable lending.
(D) There is a need for fixing a separate or higher scale of finance for commercial production of seeds by seed growers.

May/June 2016

13. Which of the following statements is incorrect regarding the security requirements for agricultural loans under the Kisan Credit Card (KCC) scheme?
(A) Collateral security is strictly mandatory for all KCC loans above Rs. 50,000.
(B) Hypothecation of crops is required for card limits up to Rs. 1 lakh as per extant guidelines.
(C) Banks may consider sanctioning loans on hypothecation of crops up to a limit of Rs. 3 lakh in case of tie-up for recovery.
(D) Collateral security may be obtained at the discretion of banks for loan limits above Rs. 1 lakh in case of non-tie-up advances.

Oct/Nov 2009

14. Consider the following statements regarding the fixation of scales of finance:
I The District Central Cooperative Banks (DCCB) act as the convenor of the District Level Technical Committee (DLTC).
II The scales of finance fixed by the DLTC are reviewed by the State Level Technical Committee (SLTC).
III The SLTC ensures that the DLTC adopts realistic costs, taking into account the cost of inputs and agriculture practices.
Which of the above statement(s) is/are correct?
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

May/June 2007

15. Select the correct answer to the following question based on the Assertion (A) and Reason (R) provided:
Assertion (A): Loans against Negotiable Warehouse Receipts (NWR) are eligible for interest subvention only up to Rs. 3.00 lakh.
Reason (R): The scheme is exclusively designed to incentivize large corporate farmers to hold produce in WDRA-accredited warehouses.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2018

16. Under the traditional mass dispensation program for crop loans, what was the established norm for the maximum limit of liabilities a cultivator could bear without much difficulty?
(A) 50% of Gross Value of Produce
(B) 45% of Gross Value of Produce
(C) 65% of Gross Value of Produce
(D) 75% of Gross Value of Produce

May/June 2012

17. Consider the following statements regarding Kisan Credit Card (KCC) disbursement and repayment:
I There should be no restriction on the number of debits and credits in the short-term component.
II Each installment of the drawable limit drawn must generally be repaid within 12 months.
III No withdrawal in the short-term sub-limit account will remain outstanding for more than 12 months.
IV The long-term loan component will normally be repayable within a period of five years, depending on the investment type.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III) only
(B) (II), (III), and (IV) only
(C) (I), (II), and (IV) only
(D) (I), (II), (III), and (IV)

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unbanked areas and facilitates better planning for expanding financial inclusion to every corner of the nation.

106. (B) To ensure financial inclusion and increase MFI outreach cost-effectively.
Utilizing business facilitators and correspondents is a strategic approach to extending financial services beyond traditional branch networks. This model allows banks to reach underserved populations in a cost-effective manner. By leveraging local individuals and organizations, banks can provide essential savings, credit, and insurance products to the unbanked, thereby achieving the national goal of holistic financial inclusion through improved outreach.

107. (A) An outlet that does not provide services for at least 4 hours daily, 5 days a week.
A part-time banking outlet is a fixed-point service unit that does not meet the minimum operating hour requirements of a full-time outlet. Specifically, it functions for less than four hours a day or fewer than five days a week. While these units help extend banking reach, they are accounted for differently in regulatory compliance calculations compared to standard full-time banking outlets.

108. (A) The commission structure should be devised in a manner that mere increase in the number of clients served drives the entire commission.
The remuneration for business correspondents should be structured to encourage high-quality service and customer satisfaction. A balanced commission model typically includes both fixed and variable components. Relying solely on the number of clients or transaction volume is discouraged, as it could lead to mis-selling or poor service. Variable pay may even be clawed back if deficiencies in service are identified.

109. (D) To reduce literacy requirements via biometric authentication and voice-guided animated screens.
Newer technological initiatives like mobile banking units and innovative ATMs aim to make banking more accessible to rural populations. These solutions often incorporate biometric authentication and voice-guided interfaces to overcome literacy barriers. By simplifying the transaction process, banks can empower customers who may struggle with traditional forms and signatures, thereby ensuring that financial services are truly inclusive for all segments.

110. (C) Special Agricultural Credit Plans (SACP)
Public sector banks have been formulating special credit plans since the mid-nineties to ensure a steady and improved flow of finance to the agricultural sector. These plans involve setting annual self-determined targets for credit disbursement. This mechanism allows banks to focus on diverse agricultural needs and has significantly contributed to the growth of institutional credit for farming and allied activities nationwide.

111. (C) Assertion (A) is true, but Reason (R) is false.
Many primary societies are considered non-viable due to limited membership and a small capital base, which restricts their lending capacity. However, this is generally not because of high share values; rather, it often results from poor management and structural inefficiencies. Efforts to reorganize these societies focus on increasing their membership and strengthening their financial resources to ensure sustainable rural service.

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112. (B) I, II, and IV only
When engaging business correspondents, banks must follow comprehensive guidelines, including conducting due diligence on the financial soundness and reputation of the agents. The agency agreement must explicitly prohibit agents from charging customers directly. Crucially, the bank remains fully responsible for the actions of its correspondents, ensuring that customer interests are protected under the formal regulatory framework of the institution.

113. (D) I, II, III, IV, and V
Protecting customers in the business correspondent model involves multiple regulatory measures. These include personal introductions by bank officials, clear signage at service points, and the provision of service brochures. Banks must also ensure data segregation when an agent serves multiple institutions and maintain robust business continuity plans. These steps collectively ensure transparency, security, and uninterrupted financial services for rural customers.

114. (B) GOI initiated amalgamation in Phase III in 2018-19, aiming at an eventual count of 15 RRBs across the country.
The consolidation of Regional Rural Banks has been carried out in distinct phases to create larger, more sustainable institutions. While the first two phases significantly reduced the number of banks, the third phase launched in twenty-eighteen focused on the "one state-one bank" principle for smaller regions. However, the target was not to reduce the total count to exactly fifteen banks.

115. (D) Amended laws allow NCDC to finance rural industrial cooperatives and notified services like agri-insurance.
The National Cooperative Development Corporation has seen its mandate expanded through legislative amendments. It now has the authority to promote and finance a wider range of activities beyond traditional agricultural produce. This includes providing support for rural industrial cooperatives and various notified services, such as agricultural insurance. These changes enable the corporation to play a more comprehensive role in rural economic development.

116. (A) I and II only
The business facilitator model is designed to support banks in the preliminary stages of credit delivery and monitoring. Their scope of work includes collecting loan applications and providing hand-holding support to groups. However, unlike business correspondents, facilitators are not authorized to handle cash transactions, such as receiving or delivering remittances, as they focus purely on non-financial support services for the bank.

117. (A) P-3, Q-1, R-4, S-2
Global banking innovation includes mobile-only platforms using social media and the deployment of humanoid robots for customer interaction. Some banks focus on entirely branchless models operated through mobile applications, while others use satellite technology to deploy relocatable pre-fabricated banking units. These diverse technological approaches aim to enhance accessibility and efficiency, providing valuable models for the evolution of digital financial services worldwide.

118. (D) The contact details of the bank's Grievance Redressal Officer must be widely publicized to ensure genuine issues are redressed.
Transparency is a core requirement of the grievance redressal machinery in the business correspondent model. Banks are mandated to widely publicize the contact information for their grievance officers. This ensures that customers know how to report problems or disputes. If a satisfactory resolution is not provided within a month, the customer has the right to escalate their complaint to the banking ombudsman.

119. (A) All-in-one insurance model where the provider manages the entire lifecycle.
In the all-in-one insurance model, a single organization manages the entire process of providing micro insurance. This includes designing the policy, employing agents for delivery, and retaining all the financial risks associated with claims. Because the organization does not partner with an external insurer to share the burden, it maintains complete control over the product but also faces the highest risk.

120. (A) The NPA ratio of SFBs has been extremely high since their inception, reflecting poor management of credit risk.
Small Finance Banks have successfully targeted underserved economic sectors like agriculture and small-scale trade. While they often have lower shares of low-cost deposits compared to larger banks, they have shown strong growth and a trend toward dissipating concentration. Contrary to having extremely high non-performing asset ratios, many of these banks have maintained manageable credit risk while expanding their portfolios.

121. (D) To combine fixed and variable remuneration based on satisfaction, preventing mis-selling.
To ensure ethical conduct and high service quality, the remuneration for business correspondents should not be based solely on transaction volume or client numbers. A structure that combines fixed and variable pay, with the latter linked to customer satisfaction, is preferred. This approach helps prevent mis-selling and encourages agents to focus on providing genuine and reliable financial services to the community.

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122. (C) It supports VSAT and Solar power unit deployment for connectivity in Focus Districts.
The Financial Inclusion Fund is utilized to address specific infrastructure gaps in challenging regions. In focus districts, it provides critical support for deploying communication technology like Very Small Aperture Terminals and sustainable energy sources like solar power units. These investments ensure that banking outlets in remote areas can maintain reliable connectivity, which is essential for conducting real-time transactions through core banking solutions.

123. (C) Utilizing a single window concept for accessing all insurance products through one proposal.
The Unified Package Insurance Scheme was introduced to simplify the insurance process for the agricultural community. By using a single-window approach, farmers can access various insurance products, including those for crops, life, and assets, through a single proposal form. This integration reduces administrative hurdles and makes it easier for farmers to obtain comprehensive financial protection against a variety of risks.

124. (A) BSBDA must permit an unlimited number of free cash withdrawals in a month.
The Basic Savings Bank Deposit Account is designed to provide essential banking services without requiring a minimum balance. Banks are mandated to offer this facility to all customers without discrimination. While the account provides several free services, it does not permit an unlimited number of free cash withdrawals. Instead, the regulation usually specifies a minimum of four free withdrawals monthly.

125. (B) Once a farmer opts for mandatory crop insurance, they are prohibited from choosing any other insurance products within the same financial year.
The Unified Package Insurance Scheme provides comprehensive protection by integrating multiple insurance sections. While crop insurance is often a mandatory component for certain farmers, the scheme is designed to be flexible. Participants are encouraged to choose additional optional products, such as life or asset insurance, to enhance their financial security. There is no restriction prohibiting farmers from opting for multiple types of coverage.

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borrowers. These loans involve small amounts and typically have shorter tenures compared to traditional commercial credit. Repayments are also more frequent, often occurring on a weekly or bi-weekly basis. Crucially, microfinance loans are generally provided without requiring heavy collateral, using group guarantees or relationship-based lending instead.

82. (A) Ensuring access to credit and financial services for vulnerable groups at an affordable cost.
Financial inclusion is defined as the process of ensuring that all individuals, particularly vulnerable and low-income groups, have access to essential financial services. This includes timely and adequate credit, savings facilities, and insurance products provided at an affordable cost. The goal is to integrate the unbanked population into the formal financial system to promote equitable economic growth and stability.

83. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The development of a national registry for business correspondents is a vital step toward improving the transparency and oversight of the rural banking network. Such a registry allows for better monitoring of service providers and helps prevent fraudulent activities. By providing a centralized database, it enhances customer confidence in the business correspondent model and ensures more reliable delivery of services.

84. (C) The hyper-stability of farm labourers who never migrate, making product portability irrelevant.
Delivering insurance products to low-income rural segments involves several challenges, including high administrative costs and a lack of reliable data for product design. Delays in document submission often slow down claim settlements. In reality, many rural laborers are highly mobile and migrate for work, which makes the lack of product portability a significant challenge rather than a condition of hyper-stability.

85. (A) P-2, Q-4, R-1, S-3
Rural insurance schemes provide diverse protection, from the PMFBY's technology-driven yield loss coverage to the KSIS's high-value accidental death benefits for tree climbers. The UPIS integrates multiple sections, including mandatory crop insurance and optional products. Specialized schemes like the CPIS focus on the total loss of individual palms, ensuring that different segments of the agricultural community have access to tailored financial safeguards.

86. (A) P-3, Q-4, R-1, S-2
Various specialized institutions support the banking sector through technology development, payment system operations, and cybersecurity. While some focus on researching new banking tools, others operate retail payment networks or monitor national cyberspace for threats. Additionally, administrative bodies issue directions for establishing enrolment centres to facilitate the integration of biometric identification with banking services, ensuring a secure and efficient financial infrastructure.

87. (A) P-3, Q-4, R-1, S-2
Social security schemes in India provide diverse coverage for life, accidents, health, and crops. Some target specific age groups for life insurance, while others offer very low-cost annual premiums for accidental death protection. Health insurance schemes often use a family floater basis for hospital liabilities, and crop insurance utilizes uniform premium rates to stabilize farmers' incomes against various non-preventable risks.

88. (B) To address skewed distribution of FLCs and limited outreach with focused ground-level literacy.
The establishment of block-level centres for financial literacy aims to improve the reach and effectiveness of awareness programs. Historically, literacy efforts have been unevenly distributed, leaving many remote areas underserved. By placing these centres closer to the community, banks can provide more focused and accessible education on financial products, digital payments, and debt management, thereby empowering rural customers.

89. (B) The delivery and marketing are handled by the scheme, while the agent designs the products.
In the partner-agent model of microinsurance, responsibilities are shared between a commercial insurance company and a local partner organization, such as a microfinance institution.

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(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

Oct/Nov 2021

6. A farmer cultivates 3 acres of paddy. The scale of finance for paddy is Rs. 15,000 per acre. Calculating as per the revised Kisan Credit Card (KCC) scheme guidelines, what will be the total short-term crop loan limit for the first year?
(A) Rs. 45,000
(B) Rs. 49,500
(C) Rs. 58,500
(D) Rs. 60,000

May/June 2019

7. Which of the following best defines the term Seasonal Agricultural Operations (SAO) in the context of crop loans?
(A) Activities undertaken primarily for the marketing of harvested crops and establishing supply chains
(B) Activities seasonally recurring in nature for raising various crops, from land preparation to harvesting
(C) Long-term investments made for acquiring agricultural machinery and land development
(D) Financial assistance provided exclusively for post-harvest storage and warehouse receipts

Oct/Nov 2006

8. How is the short-term limit arrived at for the first year for a farmer raising a single crop under the revised Kisan Credit Card (KCC) scheme?
(A) Scale of finance × Extent of area + 10% for post-harvest/household + 10% for repairs and maintenance
(B) Scale of finance × Extent of area + 10% for post-harvest/household + 20% for repairs and maintenance
(C) Scale of finance × Extent of area + 20% for post-harvest/household + 10% for repairs and maintenance
(D) Scale of finance × Extent of area + 15% for post-harvest/household + 15% for repairs and maintenance

May/June 2014

9. Consider the following statements regarding the validity and renewal of the Kisan Credit Card (KCC):
I The KCC should be valid for five years subject to an annual review.
II If a proposed extension of the repayment period due to natural calamities is beyond one crop season, the aggregate debits are transferred to a separate term loan account.
Which of the above statement(s) is/are correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

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Oct/Nov 2025

10. Match the entities in List I with their corresponding roles or parameters in crop finance in List II.
List I: (Entities)
P. DLTC
Q. SLTC
R. Lower end of repaying capacity range
S. Upper end of repaying capacity range
List II: (Roles/Parameters)
1. 65% of Gross Value of Produce for irrigated areas
2. Enjoined with the responsibility of fixing the scales of finance
3. Functions more as a review/ratification body
4. 45% of Gross Value of Produce for rainfed areas
(A) P-2, Q-3, R-4, S-1
(B) P-3, Q-2, R-1, S-4
(C) P-2, Q-4, R-3, S-1
(D) P-1, Q-2, R-4, S-3

May/June 2021

11. For a farmer whose calculated short-term limit for the first year is Rs. 40,000, what will be the maximum permissible short-term limit arrived at for the fifth year, assuming no change in cropping pattern?
(A) Rs. 48,000
(B) Rs. 52,000
(C) Rs. 56,000
(D) Rs. 60,000

regional share highlight where these financial services are most extensively utilized.

98. (A) P-2, Q-3, R-1, S-4
Various acronyms represent key components of the rural financial and administrative infrastructure. These include accounts enabled for benefit transfers and lead managers who coordinate district-level banking activities. Technical specifications define the functional design of processes, while specific memberships supported by national funds help strengthen regulatory infrastructure. Together, these elements facilitate the efficient delivery and monitoring of institutional credit and government benefits.

99. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Many State Cooperative Banks face significant financial challenges due to poor loan recoveries. These problems often stem from defective lending policies, such as inadequate loan appraisal and weak supervision of funded projects. When apex banks provide large-scale finance to cooperative federations or processing units without sufficient oversight, the resulting defaults severely impact their overall capacity to maintain a healthy flow of credit.

100. (A) P-3, Q-4, R-1, S-2
The business correspondent model involves strict adherence to due diligence and compliance procedures to ensure safe banking operations. Banks remain ultimately responsible for following know-your-customer and anti-money-laundering rules. Remuneration structures may include variable parts that can be clawed back for poor service. Furthermore, a clear grievance redressal process allows customers to approach the ombudsman if disputes are not resolved within thirty days.

101. (A) It acts as the sole licensing authority for Payment Banks and Small Finance Banks.
The Indian Computer Emergency Response Team is the national nodal agency for cybersecurity. Its primary roles include monitoring cyberspace, issuing alerts about imminent attacks, and coordinating responses to cyber incidents. While it plays a critical role in protecting the financial sector's digital infrastructure, it does not have the authority to issue banking licenses, as that power resides with the central bank.

102. (A) BCs must issue receipts for the bank and ensure all transactions are reflected in bank books by day-end.
Business correspondents must follow strict safeguards when handling cash transactions on behalf of a bank. They are required to issue official receipts to customers for every deposit or withdrawal. To ensure transparency and security, all transactions conducted at the service point must be accurately reflected in the bank's main books by the end of each business day.

103. (B) To ensure operational viability and financial sustainability while functioning as institutional mechanisms in the private sector.
Local Area Banks are required to comply with standard prudential and accounting norms to ensure they operate as stable financial institutions. These regulations, including income recognition and asset classification rules, help maintain the financial health of the bank. By adhering to these central bank guidelines, local area banks can achieve long-term viability and sustainability while providing focused credit services to their communities.

104. (D) Farmers pay exceptionally high premiums to cover the full insured amount without any form of government subsidy or state assistance.
The Pradhan Mantri Fasal Bima Yojana is designed to provide affordable crop insurance to the farming community. To ensure participation, the premium rates for farmers are kept very low, with the majority of the actuarial premium being subsidized by the central and state governments. This subsidy ensures that farmers can stabilize their income without bearing a heavy financial burden for insurance.

105. (C) To provide a platform for banks to upload the GIS locations of branches, BCs, and ATMs.
The Jan Dhan Darshak application is a specialized tool designed to map the financial service infrastructure across the country. It allows banking institutions to upload the precise geographic locations of their branches, automated teller machines, and business correspondent service points. This spatial data helps identify

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Oct/Nov 2007

18. What is the correct chronological order of the introduction of the following agricultural credit enhancements?

I Interest subvention scheme of 2% for short term crop loans
II Introduction of the Kisan Credit Card (KCC) Scheme
III Provision of incentive for prompt repayment at 1%
IV Extension of Personal Accident Insurance Scheme (PAIS) to KCC holders

(A) (I), (II), (III), (IV)
(B) (II), (IV), (I), (III)
(C) (II), (I), (IV), (III)
(D) (IV), (II), (I), (III)

May/June 2025

19. What is the most appropriate Income Recognition and Asset Classification (IRAC) norm treatment for a short-term Kisan Credit Card (KCC) crop loan account regarding asset classification?

(A) Classifying as 'out of order' whenever any withdrawal remains outstanding for more than 90 days despite partial credits.
(B) Classifying as NPA immediately if the limit is not renewed by the bank strictly within six months of its expiration.
(C) Treating strictly as a term loan and classifying based on 90-day overdue installments regardless of the drawing limit.
(D) Maintaining a balance less than or equal to the drawing limit at any time during the preceding one-year period.

Oct/Nov 2019

20. Consider the following statements regarding Kisan Credit Card (KCC) applicability and eligibility:

I The revised KCC scheme is to be implemented by commercial banks, RRBs, and cooperatives.
II The scheme aims to provide adequate and timely credit under a single window.
III Only owner cultivators are eligible for the issue of Kisan Credit Cards.
IV Tenant farmers, oral lessees, and sharecroppers are eligible for the KCC.
V Joint Liability Groups (JLGs) of farmers are eligible for the KCC.

Which of the above statement(s) is/are correct?

(A) (I), (II), (III), and (IV) only
(B) (I), (II), IV, and (V) only
(C) (II), (III), (IV), and (V) only
(D) (I), (III), (IV), and (V) only

May/June 2009

21. Continuing from the previous scenario where the first-year limit was calculated as Rs. 58,500, what will be the drawing limit for the short-term crop loan in the second year?

(A) Rs. 58,500
(B) Rs. 64,350
(C) Rs. 70,200
(D) Rs. 75,000

Oct/Nov 2011

22. Which of the following is NOT one of the three different assumptions under which banks work out repaying capacity with reference to average holding of small and other farmers?

(A) Gross value of crop produces minus family consumption
(B) Gross value of produce minus estimated post-harvest losses and external debt obligations
(C) Gross value of crop produces plus income from other sources minus family consumption
(D) Gross value of produce plus income from other sources plus income from allied agricultural activities minus family consumption

May/June 2022

23. Identify the incorrect pair regarding the evolution of crop finance mechanisms.

(A) Pre-1990s system - Provision of loans running for a fixed period
(B) Early 90s innovation - Agriculture Credit Cards for purchasing inputs from retail outlets
(C) 1998-99 scheme - Kisan Credit Card (KCC) Scheme based on uniform adoption
(D) 2004-05 enhancement - Introduction of RuPay Cards for animal husbandry

Oct/Nov 2024

24. Consider the following statements regarding the Kisan Credit Card (KCC) limit for Marginal Farmers:

I A flexible limit of Rs. 10,000 to Rs. 50,000 is provided as flexi KCC.

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minor dairy equipment. According to the flexi KCC guidelines, what is the permissible range for this composite limit?
(A) Rs. 5,000 to Rs. 25,000
(B) Rs. 10,000 to Rs. 50,000
(C) Rs. 50,000 to Rs. 1,00,000
(D) Exactly Rs. 1,00,000

Oct/Nov 2012

38. What is the definition of Term Loans in the context of agriculture financing?
(A) Loans provided exclusively for seasonal working capital requirements and repayable within a period of 12 months
(B) Short-term revolving credit facilities granted to farmers for seasonal agricultural operations and input purchases
(C) Unsecured consumption loans provided to small farmers without any requirement for land or gold collateral security
(D) Loans provided for over 18 months for capital activities like purchasing machinery or growing plantation crops

May/June 2011

39. Match the agricultural investment in List I with its suggested grace period in List II based on standard guidelines.
List I: (Investment)
P. Dug wells with or without pump-set
Q. Sprinkler/drip irrigation
R. Poultry
S. Mango and cashew plantations
List II: (Grace Period)
1. 11 months
2. 23 months
3. Six to seven years
4. 12 months
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-1, R-4, S-3
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-4, R-1, S-3

Oct/Nov 2020

40. Which of the following is NOT considered when determining the eligible quantum of refinance limits for cooperative banks and RRBs?
(A) Level of compliance with various regulatory requirements
(B) The level of Non-Performing Assets (NPAs) of the bank
(C) The bank's stipulated level of CRAR
(D) The personal net worth of the individual borrowers of the PACS

May/June 2006

41. A farmer purchases a tractor with a bank loan. The bank expects that as the tractor ages, its maintenance costs will rise, reducing the farmer's surplus generation in the later years. Which repayment schedule is most appropriate for this scenario?
(A) A balloon repayment at the end of 7 years
(B) A declining graded installment schedule
(C) A rising graded installment schedule
(D) An equated monthly installment (EMI) schedule

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Oct/Nov 2017

42. A farmer's Kisan Credit Card (KCC) crop loan account has an outstanding balance of Rs. 1.20 lakh against a drawing limit of Rs. 1.50 lakh. At one point during the preceding year, the outstanding balance dropped to Rs. 80,000. How should this account be classified under Income Recognition and Asset Classification (IRAC) norms?
(A) Sub-standard Asset
(B) Doubtful Asset
(C) Standard Asset
(D) Loss Asset

Oct/Nov 2014

43. Which of the following statements correctly describes "Margin Money" in the context of agricultural term loans?
(A) It is the amount of interest subvention provided by the Government.
(B) It is the share of the borrowers in the total project cost, acting as their down payment.
(C) It is the processing fee charged by the financing bank.
(D) It is the grace period granted before the first installment falls due.

May/June 2023

44. Select the correct answer to the following question based on the Assertion (A) and Reason (R) provided:
Assertion (A): When farmers' assets are partially or totally damaged by a natural calamity, the restructured portion of their short-term and long-term loans need not be classified as NPA.
Reason (R): Regulatory master circulars mandate

incremental income.
III For small farmers, consumption expenditure must not be allowed below the poverty line.
IV For other farmers raising high-value crops, general norms of 45% to 65% must be strictly enforced without individual adjustments.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III) only
(B) (II), (III), and (IV) only
(C) (I), (III), and (IV) only
(D) (I), (II), (III), and (IV)

May/June 2024

31. Which of the following statements is correct regarding the provision of refinancing to State Cooperative Banks (StCBs)?
(A) Refinance is provided at a penal rate of interest to discourage dependency on the central agency.
(B) StCBs cannot provide refinance to PACS through their branches under any circumstance.
(C) Cash credit limits are sanctioned to StCBs in the STCCS for refinancing DCCBs or direct lending to PACS.
(D) The quantum of refinance is determined independent of the banks' CRAR levels or NPA levels.

Oct/Nov 2016

32. Which of the following statements is incorrect regarding the repayment schedule of term loans?
(A) Repayment schedule relates to the repayable surplus generated from the activity.
(B) In an equated installment schedule, the total amount of principal and interest paid varies every month.
(C) During the grace period, no recovery is expected from the borrower.
(D) Graded installments can either rise or decline depending on the surplus generation pattern.

May/June 2018

33. A small farmer holding 1.5 hectares of land harvested his crop and stored it in a WDRA-accredited warehouse. The actual value of the produce is Rs. 2.00 lakh. What is the maximum loan quantum he can receive against the Negotiable Warehouse Receipt (NWR) under the concessional post-harvest scheme?
(A) Rs. 1.00 lakh
(B) Rs. 1.50 lakh
(C) Rs. 2.00 lakh
(D) Rs. 3.00 lakh

Oct/Nov 2022

34. Consider the following statements regarding the evaluation of a borrower's creditworthiness:
I The integrity of the borrower is reflected in their past repayment behavior.
II Risk bearing ability measures the financial condition of the borrower to withstand losses.
III Returns on capital indicate whether incremental net income is sufficient to repay the loan.
IV Repayment capacity refers to the surplus available after meeting farm and family needs.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III) only
(B) (II), (III), and (IV) only
(C) (I), (III), and (IV) only
(D) (I), (II), (III), and (IV)

May/June 2008

35. In the event of a natural calamity, the short-term crop loans converted into medium-term loans generally feature a moratorium period of at least how long?
(A) 3 months
(B) 6 months
(C) 1 year
(D) 2 years

Oct/Nov 2013

36. A bank sanctions a term loan of Rs. 1,00,000 to a farmer. The interest rate is 15% and the loan tenure is 5 years. Using the Capital Recovery Factor (CRF) formula $\text{CRF} = \frac{r(1+r)^n}{(1+r)^n - 1}$
The CRF is determined to be 0.2983. What will be the annual equated installment for this loan?
(A) Rs. 15,000
(B) Rs. 20,000
(C) Rs. 29,830
(D) Rs. 34,830

May/June 2015

37. A branch manager is assessing a marginal farmer who owns 0.5 acres of land. The farmer requests a composite Kisan Credit Card (KCC) limit to cover crop expenses and the purchase of

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(B) It uses a complex network of underground drip laterals.
(C) It relies entirely on rainwater harvesting and farm ponds.
(D) It is only applicable for areas with an annual rainfall of less than 600 mm.

May/June 2022

64. Match the government body/agency in List I with its primary focus in List II.
List I: (Agency)
P. APEDA
Q. NMPB
R. WDRA
S. FSSAI
List II: (Focus)
1. Food Safety and Standards
2. Accreditation of warehouses for NWRs
3. Subsidy and guidelines for medicinal plants
4. Export development of processed food and floriculture
(A) P-4, Q-3, R-2, S-1
(B) P-3, Q-4, R-1, S-2
(C) P-4, Q-1, R-2, S-3
(D) P-2, Q-3, R-4, S-1

Oct/Nov 2024

65. Identify the incorrect pair regarding soil and land management techniques.
(A) Field Drainage - Method to increase surface water runoff and induce soil compaction
(B) Bench Terracing - Cutting and filling sloping land to produce a series of level steps
(C) Farm Ponds - Small tank constructions for storing surface runoff
(D) Chemical Reclamation - Adding chemicals to bring the alkalinity to the desired level

May/June 2017

66. Consider the following statements regarding the Animal Husbandry Infrastructure Development Fund (AHIDF):
I It involves an outlay of Rs. 15,000 crores.
II It envisages the provision of interest subvention at 3% by the government.
III It excludes credit guarantee coverage to maximize borrower accountability.
Which of the above statement(s) is/are correct?
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

Oct/Nov 2005

67. How is a Minor Irrigation structure generally defined in the context of bank finance?
(A) A structure capable of irrigating more than 5000 hectares
(B) A structure designed exclusively for canal-based gravity irrigation
(C) A structure with capacities to irrigate up to 2000 hectares
(D) A project wholly funded by the state government without bank credit

May/June 2020

68. Consider the following statements regarding Micro Irrigation components:
I The control head consists of valves to control discharge and pressure in the system.
II Graded sand filters are used to remove fine material suspended in the water.
III Lateral pipes are usually heavily armored and have diameters exceeding 100 mm.
IV Emitters or drippers are devices used to control the discharge of water from the lateral to the plants.
V A drip system is usually a permanently-laid system that can be automated.
Which of the above statement(s) is/are correct?
(A) (I), (II), IV, and (V) only
(B) (I), (II), (III), and (IV) only
(C) (II), (III), (IV), and (V) only
(D) (I), (III), (IV), and (V) only

NODIA

Oct/Nov 2015

69. Which of the following statements is incorrect regarding the Floriculture sector in India?
(A) The sector requires cultivation strictly in open farm conditions, prohibiting greenhouse technologies.
(B) Floriculture is recognized as a sunrise industry with immense export potential.
(C) Karnataka, Tamil Nadu, and West Bengal are leading producers of flowers.
(D) APEDA functions as a nodal agency for the export development of floriculture.

May/June 2013

70. What is the chronological sequence of the evolution of tractor mechanization financing?
I Small farmers began hiring tractors rather than maintaining their own bullocks.
II Tractors are registered with the Regional Transport Authority.

that such restructured loan installments are to be treated as current dues.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2008

45. Select the correct answer to the following question based on the Assertion (A) and Reason (R) provided:

Assertion (A): The Equal Principal Installment method is a popular method of fixing repayment installments for agricultural term loans.

Reason (R): Due to the declining balance outstanding, the borrower has to repay more (including principal and interest) in the earlier period, but the calculation simplicity makes it favorable.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2005

46. A farmer plans to cultivate 2 acres of sugarcane (Scale of finance: Rs. 20,000 per acre) and 1 acre of wheat (Scale of finance: Rs. 10,000 per acre) simultaneously. What will be the first-year crop loan limit including consumption and maintenance margins?

(A) Rs. 50,000
(B) Rs. 60,000
(C) Rs. 65,000
(D) Rs. 70,000

Oct/Nov 2021

47. Consider the following statements regarding agricultural term loans:

I Graded installments are considered when the surplus generated declines over time, such as due to increased maintenance on a tractor.
II The Capital Recovery Factor (CRF) is used to compute the Equated Installment.
III Banks are prohibited from taking any conventional security for agricultural term loans.

Which of the above statement(s) is/are correct?

(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

May/June 2019

48. Which of the following statements is incorrect regarding a bank's role in providing relief in areas affected by natural calamities?

(A) Banks are expected to convert outstanding production loans into medium-term loans.
(B) Banks must completely suspend fresh production credit until the converted medium-term loan is fully repaid.
(C) The converted medium-term loan is repayable over a period of 2 to 5 years.
(D) A moratorium period of at least one year must be provided on the converted loan.

Oct/Nov 2006

49. Which of the following items is generally NOT included in the Investment Outlay calculated for an agricultural term loan?

(A) Post-harvest personal consumption and family travel expenses
(B) Pre-operative expenses like feasibility reports
(C) Civil construction needed for the activity
(D) Working capital requirements capitalized for the first gestation period

May/June 2014

50. A Regional Rural Bank (RRB) operating in a difficult/hilly region seeks refinance. Despite having a slightly higher NPA level, the request is considered favourably. What justifies this decision?

(A) RRBs operating in difficult hilly regions are granted total exemption from all standard CRAR and capital requirements.
(B) Non-Performing Asset levels are not factored into the evaluation for any RRB applying under the STRC Refinance Fund.
(C) Relaxation in eligibility norms is provided for banks in North Eastern and hilly regions to support credit flow.
(D) The RRB provided a written commitment

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II The limit assessment strictly requires relating the amount to the assessed value of the land.
III The composite KCC limit is fixed for a period of five years.
Which of the above statement(s) is/are correct?
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

May/June 2017

25. Which of the following statements correctly describes the fixation of the Kisan Credit Card (KCC) limit for the second and subsequent years?
(A) The limit is kept identical to the first-year sanctioned amount to ensure strict financial discipline and stability.
(B) Applying a 10% annual increase to the first-year limit to cover cost escalation and increased scales of finance.
(C) A flat increase of 20% is applied to the first-year limit to account for total inflation over a five-year period.
(D) The limit is re-assessed entirely from scratch based on a completely new DLTC scale of finance each year.

Oct/Nov 2005

26. Which of the following statements is correct regarding the District Level Technical Committee (DLTC) responsible for fixing the scales of finance?
(A) The State Cooperative Bank serves as the convenor of the DLTC.
(B) The DLTC is solely composed of representatives from the Agriculture Department and NABARD.
(C) The State Level Technical Committee determines the scales of finance, which the DLTC merely ratifies.
(D) The District Central Cooperative Bank (DCCB) acts as the convenor of the DLTC.

May/June 2020

27. Select the correct answer to the following question based on the Assertion (A) and Reason (R) provided:
Assertion (A): The short-term loan sanctioned on the KCC is given the same treatment as a "cash credit" account for the purpose of applying prudential norms.
Reason (R): KCC accounts are treated as Standard Assets if the balance outstanding is less than or equal to the drawing limit at any point of time during the preceding one year.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2015

28. Identify the correct pair representing the current maximum limits under the prompt repayment incentive scheme.
(A) Incentive for prompt repayment - 3% up to Rs. 3.00 lakh
(B) Incentive for prompt repayment - 1% up to Rs. 5.00 lakh
(C) Interest subvention base rate - 2% up to Rs. 5.00 lakh
(D) Maximum interest rate charged to farmers - 9% up to Rs. 3.00 lakh

May/June 2013

29. Match the Kisan Credit Card (KCC) component in List I with its corresponding feature in List II.
List I: (KCC Component)
P. Margin for crop loans
Q. Processing fee
R. Short-term component of KCC
S. Long-term loans for investment
List II: (Feature)
1. May be drawn as per fixed installments
2. Inbuilt while fixing the scales of finance
3. Nature of a revolving cash credit facility
4. Decided by respective banks
(A) P-2, Q-4, R-3, S-1
(B) P-3, Q-1, R-2, S-4
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-3, R-4, S-1

Oct/Nov 2023

30. Consider the following statements regarding the assessment of repaying capacity:
I In investment credit, incremental income is taken to indicate repaying capacity.
II For crop loans, assessment poses problems as current inputs do not contribute to

NODIA

Oct/Nov 2018

57. Consider the following statements regarding the terms and conditions of agricultural term loans:
I Investment outlay includes the cost of equipment and machinery.
II Margin money represents the bank's share in the project.
III Bank loans should meet the requirements of adequacy, timeliness, and cost of credit.
IV Grace periods are provided for investments that yield immediate returns.
V Repayment schedules are structured based on the cash flow and repayable surplus.
Which of the above statement(s) is/are correct?
(A) (I), (III), and (V) only
(B) (I), (II), and (IV) only
(C) (II), (IV), and (V) only
(D) (I), (II), (III), and (V)

May/June 2012

58. What is the most appropriate basis for granting relief measures, such as loan conversion, to farmers affected by natural calamities?
(A) The Annewari certificate issued by the State Government based on crop cutting experiments
(B) A formal personal declaration of crop loss submitted by the village sarpanch and local council members
(C) The subjective discretion of the branch manager based on a visual inspection of the affected farm sites
(D) The monthly market price fluctuations for essential commodities published by the local APMC committee

Oct/Nov 2007

59. Which factor best determines a farmer's 'risk bearing ability' within the context of creditworthiness?
(A) The farmer's willingness to pledge gold ornaments or other liquid assets instead of encumbering agricultural land
(B) The total number of savings and current bank accounts the farmer maintains across multiple financial institutions
(C) The farmer's capacity to absorb and withstand financial loss without being forced into liquidation
(D) The farmer's ability to secure a 100% government guarantee or state subsidy for all investment credit proposals

May/June 2025

60. A district experiences severe drought, and the State Government issues an Annewari certificate. A farmer's crop is totally lost, and he owes a short-term crop loan of Rs. 80,000. According to standard guidelines, what action should the bank take?
(A) Classify the account as a Loss Asset and initiate immediate legal recovery proceedings against the farmer
(B) Convert the short-term loan into a medium-term loan (2-5 years) and sanction fresh production credit
(C) Demand a 50% upfront payment of the principal before restructuring the remaining amount into a new loan
(D) Instruct the farmer to liquidate the entire loan using expected insurance claims without any bank restructuring

Oct/Nov 2019

61. Which of the following is NOT listed as one of the multiple purposes served by Farm Ponds?
(A) Enhancing crop productivity and climate resilience
(B) Generating employment opportunities for on-farm labour during all seasons
(C) Completely replacing the need for minor irrigation tube wells
(D) Helping in preserving soil erosion

May/June 2009

62. A farmer approaches a bank for a land development loan because his soil shows excessive accumulation of alkali salts, impairing plant growth. Which combination of activities should the bank suggest financing?
(A) Mechanical shattering of clay pans and adding chemical amendments
(B) Installing a large-scale gravity-fed canal system for continuous irrigation
(C) Constructing contour stone walls and drainage channels on sloping terrain
(D) Fencing the entire perimeter of the farm to keep out stray animals and pests

Oct/Nov 2011

63. What is the fundamental characteristic distinguishing Lift Irrigation from gravity-fed canal systems?
(A) Water is not transported by natural flow but is lifted using pumps or surge pools.

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(D) Grameen Bhandaran Yojana

May/June 2015

78. Which land development activity is most appropriate for controlling water and erosion on sloping land with relatively deep soils, typically used for rice-based cropping systems?
(A) Contour trenches with stone walls
(B) Micro sprinkler irrigation
(C) Laser land levelling
(D) Bench Terracing

Oct/Nov 2012

79. Which of the following reflects the conceptual shift driving the growth of the Horticulture and Plantation sectors?
(A) A movement away from export-oriented crops towards traditional food grain subsistence farming
(B) Reorientation of cultivation through cluster-based development linking farmers to markets
(C) Complete elimination of bank finance in favor of total government grants
(D) Restriction of horticultural activities strictly to the template Himalayan regions

May/June 2011

80. Consider the following statements regarding Farm Ponds:
I They are designed to store surface runoff generated from the catchment area.
II They provide an unreliable, short-term water supply that increases vulnerability.
III They help in groundwater recharge and conserving natural resources.
IV They allow timely sowing and irrigation of multiple crops.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III) only
(B) (I), (III), and (IV) only
(C) (II), (III), and (IV) only
(D) (I), (II), (III), and (IV)

Oct/Nov 2020

81. Consider the following statements regarding the Poultry sector:
I The sector is broadly divided into a highly organized commercial sector (80%) and an unorganized sector (20%).
II The unorganized sector relies heavily on backyard poultry, playing a key role in supplementary income.
III Avian influenza is considered a major opportunity for the sector to breed alternate birds.
IV Compartmentalization for disease control as per OIE Standards is an important issue.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III) only
(B) (I), (II), and (IV) only
(C) (II), (III), and (IV) only
(D) (I), (III), and (IV) only

NODIA

May/June 2006

82. Which of the following statements is incorrect regarding land levelling?
(A) Laser-controlled precision levelling is cheap and unfeasible only because it requires completely dry soil.
(B) Land levelling always improves the efficiency of water, labour, and energy resources utilization.
(C) Major topographical changes during levelling can compact or pulverize the soil, causing water penetration problems.
(D) There are two philosophies: providing a slope for water supply and levelling to the best condition with minimal earth movement.

Oct/Nov 2017

83. Identify the correct pair regarding irrigation systems.
(A) Lift Irrigation - Transports water primarily by natural gravity flow
(B) Sprinkler Irrigation - Involves completely flooding the soil surface
(C) Tube well - A wide, shallow dug structure for collecting rainwater
(D) Drip Irrigation - Employs a network of emitters dripping water at 2-20 litres/hour

May/June 2010

84. Which of the following is NOT cited as a major challenge faced by the horticulture and plantation sectors?
(A) Depleting land resources and degraded production environments
(B) Post-harvest losses and absence of quality monitoring mechanisms
(C) Over-abundance of robust supply chain mechanisms leading to market saturation
(D) Inadequate market linkage and price

III Banks provide loans based on the capacity of the tractor and supplied equipment.
IV Hypothecation is entered into the registration book, establishing security.
(A) (I), (III), (II), (IV)
(B) (I), (II), (III), (IV)
(C) (III), (I), (II), (IV)
(D) (II), (IV), (I), (III)

Oct/Nov 2023

71. Consider the following statements regarding the Fisheries sector:
I India shares 7.58% of the global fish production.
II PMMSY is an umbrella scheme with Central Sector and Centrally Sponsored components.
III PMMSY aims to enhance fish production to about 220 lakh metric tons by 2024-25.
IV Marine fisheries face threats from overcapacities in territorial waters and weak regulation.
V Inland fisheries predominantly use advanced automated harvesting technology with high capital infusion.
Which of the above statement(s) is/are correct?
(A) (I), (II), (III), and (IV) only
(B) (I), (II), (IV), and (V) only
(C) (II), (III), (IV), and (V) only
(D) (I), (III), (IV), and (V) only

May/June 2024

72. Which of the following statements correctly describes the usage of sprinkler irrigation systems?
(A) Sprinklers are laid permanently below the root zone in all systems to avoid solar degradation of the HDPE pipes.
(B) Sprinklers are useful for crops such as chilies, cotton, gram, jowar, maize, onion, sunflower, and wheat.
(C) Sprinklers deliver water at a fixed rate of 2-20 litres/hour directly to the individual plant roots via emitters.
(D) Sprinklers are only effective in fields with completely flat, laser-levelled basin topographies to prevent runoff.

Oct/Nov 2016

73. A farmer has an undulating field with poor quality, marginal water resources. Labour is also highly expensive in his region. Which irrigation system should the bank recommend for financing?
(A) Lift Irrigation
(B) Laser Basin Irrigation
(C) Contour Trench Irrigation
(D) Drip Irrigation

May/June 2018

74. Consider the following statements regarding Land Levelling:
I Land levelling can severely degrade fertile topsoil if significant earth movements are made.
II A field levelled to high standards is generally more easily irrigated than one with undulations.
Which of the above statement(s) is/are correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

Oct/Nov 2022

75. Consider the following statements regarding Medicinal Plants:
I The National Medicinal Plants Board (NMPB) offers up to 75% subsidy to farmers.
II Currently, 100% of medicinal plants are cultivated systematically without collecting any from the wild.
Which of the above statement(s) is/are correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

NODIA

May/June 2008

76. At what rate does a typical drip irrigation system apply water to the soil?
(A) 50 to 100 litres/hour
(B) 2 to 20 litres/hour
(C) 100 to 200 litres/hour
(D) 0.5 to 1.5 litres/hour

Oct/Nov 2013

77. Which entity/scheme provides a Capital Investment Subsidy Scheme for the construction and renovation of scientific storage capacity in rural areas to prevent distress sales?
(A) PMFBY
(B) APEDA
(C) NMPB

to completely cease lending to small and marginal farmers to minimize credit risk.

Oct/Nov 2025

51. A dairy farmer applies for a term loan. His projected incremental net income is just enough to cover the principal and interest. However, his repayment capacity (income after family expenses) shows a negative surplus. What should the bank conclude based on the three R's of credit (Returns, Repayment Capacity, and Risk-Bearing Ability)?

(A) The loan proposal is financially sound because the incremental income exactly equals the total annual loan obligation.

(B) The farmer possesses a high risk-bearing ability due to the diversification into the commercial dairy business sector.

(C) The loan should be disbursed but only with a declining graded repayment schedule starting during the first quarter.

(D) The loan proposal is unviable because the repayment capacity does not leave a surplus for family obligations.

May/June 2021

52. What is the primary purpose of the Short Term Rural Credit (STRC) Refinance Funds maintained by NABARD?

(A) To directly finance individual small and marginal farmers across the country

(B) To provide long-term capital investments for major infrastructure projects

(C) To write off the non-performing assets of commercial banks

(D) To provide refinance to cooperative banks and Regional Rural Banks (RRBs) for crop production

Oct/Nov 2010

53. Match the entities in List I with their functions regarding calamity relief and crop insurance in List II.

List I: (Entities)

P. NABARD

Q. State Government

R. Banks

S. PMFBY

List II: (Functions)

1. Issues the Annewari certificate
2. Provides fresh production credit to affected farmers
3. Scheme providing insurance coverage for crop losses
4. Provides refinance to banks from the National Rural Credit (Stabilization) Fund

(A) P-4, Q-1, R-2, S-3

(B) P-1, Q-4, R-3, S-2

(C) P-4, Q-2, R-1, S-3

(D) P-3, Q-1, R-4, S-2

May/June 2016

54. Consider the following statements regarding Term Loan repayment schedules:

I Under the Equal Installment method, the principal amount is divided equally, and interest dues are recovered separately.

II The Equated Installment method requires the borrower to repay a fluctuating amount each period.

Which of the above statement(s) is/are correct?

(A) Only (I) is correct

(B) Only (II) is correct

(C) Both (I) and (II) are correct

(D) Neither (I) nor (II) is correct

Oct/Nov 2009

55. Which agricultural scheme approach involves a bank formulating a project for the development of a specific activity, such as a dairy scheme covering 100 units uniformly across one or a few districts?

(A) Area Development Scheme

(B) Banking Plan

(C) Individual-Borrower Oriented Investment

(D) Revolving Cash Credit Scheme

May/June 2007

56. A bank processes a Kisan Credit Card (KCC) application for a loan limit of Rs. 2.50 lakh. The farmer has an established tie-up for recovery. What is the security requirement as per regulatory guidelines?

(A) Only hypothecation of crops, without insisting on collateral security

(B) Mandatory collateral security matching the loan amount

(C) Guarantee from a third-party corporate entity

(D) Mortgage of agricultural land equal to 150% of the loan value

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fluctuations

May/June 2016

85. Select the correct answer to the following question based on the Assertion (A) and Reason (R) provided:
Assertion (A): Contour bunding should not be adopted on clayey or deep black cotton soils.
Reason (R): These soils have a tendency to develop cracks which can cause the bunds to fail.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2018

86. Why is the statement "drip irrigation saves water by reducing the amount used by the crop" conceptually considered false?
(A) Because drip irrigation typically forces crops to consume twice as much water due to the localized wetting of soil.
(B) Crop water use is dictated by growth needs; savings come from reduced deep percolation, runoff, and evaporation.
(C) Because drip emitters often leak or burst, leading to massive surface water ponding and unintended soil erosion.
(D) Because drip irrigation is exclusively used for aquatic crops that require constant flooding for optimal growth.

May/June 2023

87. Match the subsidy rates under the Rural Godowns scheme in List I with the target groups in List II.
List I: (Subsidy/Capacity Parameter)
P. Subsidy of 33.33%
Q. Subsidy of 25%
R. Maximum capacity limit for subsidy
S. Minimum capacity limit for subsidy
List II: (Target Group/Value)
1. 30,000 tons
2. 100 tons
3. Projects in North-Eastern states, hilly areas, and SC/ST entrepreneurs
4. Other categories of farmers and cooperatives
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-3, Q-4, R-2, S-1
(D) P-1, Q-2, R-3, S-4

Oct/Nov 2014

88. Match the land development activity in List I with its suitability criterion in List II.
List I: (Activity)
P. Contour Bunds
Q. Graded Bunds
R. Contour trenches with stone walls
S. Chemical Reclamation
List II: (Suitability Criterion)
1. Slopes >15% to <30%
2. Highly alkaline or saline soils
3. Low annual rainfall (<600 mm) and slope <6%
4. High or medium annual rainfall (>600 mm)
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-3, Q-1, R-4, S-2
(D) P-1, Q-2, R-3, S-4

May/June 2019

89. Which of the following statements is correct regarding the categorization of plantation crops in India?
(A) Coconut, areca nut, and cashew are the major organized plantation crops.
(B) Tea, coffee, and rubber are the three major organized plantation crops covered under the Plantation Labour Act.
(C) Tea, coffee, and rubber are unorganized plantation crops covered under the Land Ceiling Act.
(D) India is the world's largest producer of both coffee and rubber.

NODIA

Oct/Nov 2009

90. Consider the following statements regarding the benefits of Farm Mechanization:
I It provides input savings in seeds and fertilizers by 15% to 20%.
II It helps in increasing cropping intensity by 5% to 20%.
III It increases the workload on women as advanced techniques require manual supervision.
Which of the above statement(s) is/are correct?
(A) (I) and (II) only
(B) (II) and (III) only

S. IBJA

List II: (Description)

1. Indicates purity adhering to international standards
2. Shall not exceed 12 months
3. Revised upward to 90% in specific economic contexts
4. Entity quoting the gold price for valuation

(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-3, Q-4, R-1, S-2

Oct/Nov 2011

106. Select the correct answer to the following question based on the Assertion (A) and Reason (R) provided:

Assertion (A): The sericulture industry provides substantial employment in rural and semi-urban areas.

Reason (R): It is an agro-based cottage industry that requires fixed capital investment at every step, including mulberry leaves plantation and rearing houses.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2022

107. Which of the following statements is incorrect regarding standard guidelines for the valuation of gold ornaments?

(A) Gold ornaments accepted as collateral must be valued at the spot price of 24 carat gold on the exact day of loan sanction.
(B) Valuation should make the process more transparent to the borrower.
(C) The valuation is based on the average of the closing price of 22 carat gold for the preceding 30 days.
(D) The price is quoted by the India Bullion and Jewellers' Association Ltd.

Oct/Nov 2024

108. Which of the following statements is incorrect regarding marine products and shrimps?

(A) The export of frozen shrimps contributed entirely to the decline of the domestic aquaculture market.
(B) The Marine Products Export Development Authority (MPEDA) supports export of frozen shrimps.
(C) Fresh-water prawn farming based on new bio-technology methods has been developed in states like Kerala.
(D) Institutional support to entrepreneurs taking up prawn production boosts the fisheries export earnings.

May/June 2017

109. A bank receives a proposal for a highly capital-intensive project producing disease-free banana plants. The promoters seek term loans for creating controlled laboratory conditions. Under which category of agriculture financing should the bank appraise this proposal?

(A) Short-term Crop Loan
(B) Minor Irrigation Project
(C) Sericulture Development
(D) Hi-Tech Agriculture (Tissue Culture)

Oct/Nov 2005

110. Which of the following is NOT listed as a factor creating business opportunities for lending term loans?

(A) Huge potential under various unexploited sectors
(B) Favorable government policies and programs
(C) Availability of guidance and support from higher financing agencies
(D) Complete elimination of prudential norms by the regulator for term loans

May/June 2020

111. Which of the following statements is correct regarding auction procedures for gold loans?

(A) Auctions can be conducted privately between bank employees without any prior notice to the borrower.
(B) Any deferment of the scheduled auction is strictly prohibited under all legal and financial circumstances.
(C) Auctions must solely be handled and supervised by the central bank at their regional headquarters.
(D) Auctions must follow the timelines and norms laid down in the bank's Auction Policy and Fair Practice Code.

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(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2009

98. Which organization offers technical guidance and assistance for entrepreneurs intending to establish mushroom units?
(A) The Directorate of Mushroom Research Unit (of ICAR) at Solan
(B) The Ministry of Textiles
(C) The National Medicinal Plants Board
(D) The Forward Markets Commission

May/June 2007

99. To mitigate economic impacts, the Loan to Value (LTV) norm for gold loans was revised upward to what percentage for specified periods?
(A) 75%
(B) 80%
(C) 85%
(D) 90%

Oct/Nov 2018

100. Which of the following is NOT an example of a Hi-tech agriculture project?
(A) Plant Tissue Culture
(B) Mushroom Cultivation
(C) Deep sea autonomous robotic trawling
(D) Hi-tech abattoirs

May/June 2012

101. Which of the following statements is incorrect regarding the management of a gold loan portfolio?
(A) Gold loans are exempt from IRAC norms because they are fully secured by tangible assets.
(B) Borrowers should be persuaded to service interest periodically to facilitate collateral adequacy.
(C) The banks should adopt a well-calibrated approach for recovery to minimize forced realization.
(D) Employees engaged in appraisal need necessary skills like usage of the nitric acid test.

Oct/Nov 2007

102. How is "hi-tech" agriculture defined?
(A) Using sophisticated technology for high value products requiring stringent quality and hygienic standards
(B) Agriculture that exclusively uses solar-powered autonomous machinery without any need for manual labor
(C) The complete replacement of all traditional soil-based farming methods with advanced hydroponic systems
(D) Universal genetic modification of all commercial crops to make them permanently resistant to all pests

May/June 2025

103. Select the correct answer to the following question based on the Assertion (A) and Reason (R) provided:
Assertion (A): The transaction cost of providing term loans to small farmers, particularly under government-sponsored programs, is high.
Reason (R): The number of accounts is quite large, and the longer repayment periods make monitoring difficult.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2019

104. Which of the following statements is correct regarding the export of fresh fruits from India?
(A) Onions and mixed vegetables form the entirety of India's export basket.
(B) Corporate borrowers are explicitly barred from entering the fresh fruit production sector.
(C) The export of fresh fruits does not require any term credit from banks.
(D) Reports indicate that grapes, pomegranates, mangoes, bananas, and oranges account for a larger portion of fruits exported.

May/June 2009

105. Match the aspect of gold loans in List I with its description in List II.
List I: (Aspect)
P. LTV norm
Q. Hallmarking
R. Loan tenor (non-agricultural)

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ANSWERS

1. (D) Repaying capacity in these situations is heavily affected by specific input-output ratios relevant to advanced technology.
Standard credit norms based on general district averages often fail to account for the unique financial dynamics of high-value crops. Advanced technologies involve specific input costs and output expectations that differ significantly from traditional farming. Assessing individual repayment capacity ensures credit adequacy and timing align precisely with the specialized cash flow patterns of these intensive agricultural operations.

2. (C) Unsecured personal loans through third-party microfinance apps
The Kisan Credit Card scheme provides structured delivery channels to ensure funds reach farmers through verified banking systems. Approved methods include withdrawals via automated teller machines, point of sale terminals at input dealers, and operations through business correspondents. Unregulated third-party applications or unsecured personal loans are not recognized as official delivery mechanisms for drawing against credit card limits.

3. (C) To simplify the cumbersome preparation process and address the varying credit needs of diverse agriculture
Traditional statements often proved to be administratively heavy and lacked the flexibility required for modern farming. Introducing flexible measures allows the cooperative system to respond more effectively to the diverse needs of different agro-climatic zones and crops. This simplification reduces the procedural burden on societies while ensuring that credit dispensation remains timely and relevant to individual farmer requirements.

4. (A) (I), (II), (III), and (IV) only
Post-harvest loans against negotiable warehouse receipts help small and marginal farmers avoid distress sales by providing liquidity. These loans are available for up to six months at the same interest rate as crop loans, covering seventy-five percent of the produce value. Marginal farmers are defined as those holding up to one hectare of land, ensuring focused support for vulnerable producers.

5. (B) Only (II) is correct
Modernizing credit procedures in the cooperative system allows for greater flexibility in loan documentation. While the traditional normal credit limit statements were once standard, cooperatives can now adopt simpler loan application forms from individual members. This change aligns cooperative practices with those of commercial banks, streamlining the process for borrowers while still ensuring that individual credit needs and repayment capacities are assessed.

6. (C) Rs. 58,500
The first-year limit under the revised guidelines is calculated by adding specific margins to the basic crop cost. For three acres at fifteen thousand per acre, the base is forty-five thousand. Adding ten percent for post-harvest requirements and twenty percent for maintenance of farm assets results in a total limit of fifty-eight thousand five hundred rupees for the farmer.

7. (B) Activities seasonally recurring in nature for raising various crops, from land preparation to harvesting
Seasonal agricultural operations encompass the entire cycle of crop production, starting from initial land preparation and sowing to final harvesting. These activities are recurring and essential for the growth of diverse crops throughout the agricultural year. Short-term crop loans are specifically designed to meet the working capital requirements needed to fund these routine tasks and ensure timely agricultural output.

8. (B) Scale of finance × Extent of area + 10% for post-harvest/household + 20% for repairs and maintenance
The total short-term limit for the first year is determined by combining the crop production

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Oct/Nov 2015

112. What is the fundamental utility of Plant Tissue Culture in modern agriculture?
(A) It allows the rapid manufacture of chemical fertilizers from plant waste.
(B) It permits the production and propagation of genetically homogeneous, disease-free plant material.
(C) It replaces the need for drip irrigation in arid zones.
(D) It is a post-harvest technique used to extend the shelf life of cut flowers.

May/June 2013

113. What is the estimated per capita consumption of mushrooms in the US or Europe compared to India's 30 grams?
(A) 500 grams
(B) 1 kg
(C) 2 kg - 3 kg
(D) 5 kg

Oct/Nov 2023

114. Which of the following statements correctly emphasizes the importance of hallmarked jewelry in gold loans?
(A) Hallmarked jewelry guarantees that the borrower will receive a significantly higher interest rate.
(B) It shows gold adheres to international purity standards, making the granting of advances safer.
(C) Banks are strictly forbidden from accepting any non-hallmarked jewelry regardless of the weight.
(D) Hallmarking is the only legal way to determine the exact age and history of the jewelry piece.

May/June 2024

115. Match the Hi-tech agriculture sector in List I with its relevant nodal agency or attribute in List II.
List I: (Hi-tech Sector)
P. Tissue Culture
Q. Floriculture
R. Fresh-water prawn farming
S. Hi-tech abattoirs
List II: (Nodal Agency/Attribute)
1. MPEDA
2. Ministry of Food Processing
3. APEDA
4. Production of disease-free plant material
(A) P-4, Q-3, R-1, S-2
(B) P-3, Q-4, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-4, Q-1, R-3, S-2

Oct/Nov 2016

116. A small farmer plans to transition from backyard poultry to an organized contract farming system. Which of the following is a key challenge for small farms in this sector?
(A) Significant oversupply of cheap domestic soyabean feed causing localized market price volatility
(B) Excessive government subsidies that distort local market prices and prevent private sector entry
(C) The absolute inability of small-scale farmers to produce Low Input Technology (LIT) bird varieties
(D) Challenges in economies of scale due to high disease surveillance and strict biosecurity requirements

May/June 2018

117. What is the most appropriate step banks must standardize via legal experts regarding the release of gold collateral upon closure of the loan?
(A) Ensuring gold is sold immediately to pre-registered third parties if the borrower is late by one day
(B) Charging a mandatory 5% administrative exit load based on the gold's current market value at closure
(C) Melting the jewelry into standard gold bars before returning the physical weight to the borrower
(D) Standardizing procedures for delivery to legal heirs, loss of receipts, or delivery to third persons

Oct/Nov 2022

118. What is the most appropriate way for banks to handle the high transaction costs and risks associated with financing term loans for small farmers?
(A) By completely ceasing term loans to individual small farmers and lending only to large corporate entities
(B) By mandating a 100% liquid collateral deposit or cash margin for every small

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(C) (I) and (III) only
(D) (I), (II), and (III)

May/June 2021

91. Which of the following statements correctly highlights the status of Mushroom Cultivation in India?
(A) India accounts for more than 50% of the total world mushroom production and export market share.
(B) The average per capita consumption of mushrooms in India has reached approximately 2-3 kg annually.
(C) India accounts for only two percent of world production, with a low per capita consumption of 30 grams.
(D) The Directorate of Mushroom Research Unit is located in Kerala to support southern regional growers.

Oct/Nov 2006

92. A cooperative society wants to construct a massive rural godown with a capacity of 40,000 tons. They approach the bank for financing under the Grameen Bhandaran Yojana. Based on scheme guidelines, what capacity limit will the subsidy be restricted to?
(A) 10,000 tons
(B) 25,000 tons
(C) 30,000 tons
(D) 40,000 tons

May/June 2014

93. A corporate entrepreneur wants to establish a commercial floriculture unit utilizing controlled climatic conditions with the intention of exporting the products. Which nodal agency should the entrepreneur coordinate with for export development and facilitation?
(A) NMPB
(B) MPEDA
(C) APEDA
(D) WDRA

Oct/Nov 2025

94. Which of the following is NOT a condition stipulated for the provision of loans against the pledge of gold ornaments for non-agricultural end uses?
(A) Banks may decide the ceiling with regard to the quantum of loans granted.
(B) The tenor of the loans shall not exceed 12 months from the date of sanction.
(C) The loan must be disbursed exclusively via cash regardless of the amount.
(D) Interest may be charged to the account at monthly rests and recognized on an accrual basis for 'standard' accounts.

May/June 2023

95. What is the primary focus of the credit-linked scheme for hi-tech abattoirs?
(A) Promoting the large-scale export of live animals to European and Middle Eastern premium meat markets
(B) Modernizing small slaughterhouses to improve hygienic meat supply and reduce environmental pollution
(C) Establishing massive state-owned monopolies for meat processing and distribution across all districts
(D) Eliminating rural slaughterhouses entirely to shift processing to centralized urban industrial zones

Oct/Nov 2010

96. What is the conceptual biggest advantage of a gold loan compared to a personal loan from the borrower's perspective regarding repayment?
(A) The entire interest rate is completely waived by the bank if the loan is repaid within six months.
(B) Flexibility to repay principal and interest as a lump sum instead of equated monthly installments (EMIs).
(C) Gold loans do not require basic identity documents or adherence to standard KYC/ AML procedures.
(D) The borrower retains full physical possession of the gold ornaments during the entire loan tenure.

May/June 2016

97. Select the correct answer to the following question based on the Assertion (A) and Reason (R) provided:
Assertion (A): The horticulture and plantation sectors are heralded as sunrise sectors in India.
Reason (R): They provide dynamic tools for improving economic conditions, offer high value crops, and create diversification opportunities.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

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(B) P-1, Q-2, R-4, S-3
(C) P-3, Q-4, R-1, S-2
(D) P-2, Q-3, R-4, S-1

May/June 2006

125. Select the correct answer to the following question based on the Assertion (A) and Reason (R) provided:
Assertion (A): Banks persuade gold loan borrowers to service interest periodically rather than waiting till maturity.
Reason (R): Servicing interest periodically protects the bank from adverse market fluctuations in gold prices and helps minimize forced realization of the collateral through auction.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

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agricultural loan sanctioned
(C) By shifting all agricultural term loan requirements to high-interest, short-term unsecured crop loans
(D) Exploring business in unexploited sectors while utilizing government support and favorable policies

May/June 2008

119. Which of the following is the defining feature of advances against gold ornaments?
(A) They are secured assets that inherently do not require any additional collateral.
(B) They require heavy collateral in the form of agricultural land.
(C) They are exclusively reserved for post-harvest warehouse receipts.
(D) They cannot be reused once the loan is repaid.

Oct/Nov 2013

120. Which of the following is an incorrect statement regarding the major issues in financing term loans?
(A) The transaction cost of providing term loans to small farmers is very low.
(B) Bank capacity to formulate area development schemes and undertake risk analysis is often limited.
(C) Many term loan activities are exposed to natural calamity risks that cannot be fully covered.
(D) Interest rates are not always decided scientifically to take care of transaction and risk costs.

May/June 2015

121. Select the correct answer to the following question based on the Assertion (A) and Reason (R) provided:
Assertion (A): If the gold pledged is of purity less than 22 carats, the bank should translate the collateral into 22 carat and value the exact grams accordingly.
Reason (R): This standardization is required because banks must value the collateral at the 30-day average price of 22 carat gold quoted by the India Bullion and Jewellers' Association Ltd.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2012

122. Which of the following is NOT listed as a required procedure for managing a gold loan portfolio efficiently?
(A) Borrowers must make applications in the standard format prescribed by the bank.
(B) Borrowers must comply with KYC procedures.
(C) Banks must fix a uniform interest rate mandated across all branches without discretion.
(D) Documentation must be in accordance with the Fair Practice Code.

May/June 2011

123. A customer approaches a bank for a non-agricultural gold loan pledging 100 grams of 18-carat gold jewelry. The 30-day average price of 22-carat gold quoted by IBJA is Rs. 5,000 per gram. Assuming the bank applies the maximum permitted LTV norm of 90%, what is the approximate maximum loan amount the bank can sanction? (Note: Translate 18 carat to 22 carat proportionately).
(A) Rs. 4,50,000
(B) Rs. 4,09,000
(C) Rs. 3,68,181
(D) Rs. 3,00,000

Oct/Nov 2020

124. Match the valuation scenario in List I with the prescribed banking action in List II based on standard guidelines.
List I: (Valuation Scenario)
P. Gold is of exactly 22 carats purity
Q. Gold is of purity less than 22 carats
R. Gold prices fluctuate
S. Security offered is hallmarked
List II: (Prescribed Action)
1. Value proportionately by translating into 22 carat equivalent
2. Value at the average closing price of 22 carat gold for preceding 30 days
3. Bank decides on per gram rate taking past trends into account
4. Preferential treatment is likely encouraged
(A) P-2, Q-1, R-3, S-4

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cost with essential secondary expenses. The scale of finance per acre is multiplied by the cultivated area, then increased by ten percent for household consumption. An additional twenty percent margin is included for the repair and maintenance of farm assets, ensuring the loan covers comprehensive needs.

9. (C) Both (I) and (II) are correct
Kisan Credit Cards are issued with a five-year validity, subject to annual reviews of the borrower's performance. In instances where natural calamities necessitate extending the repayment period beyond a single season, the accumulated debt is restructured. Specifically, these debits are transferred to a separate term loan account, allowing the farmer to manage the burden over a longer duration.

10. (A) P-2, Q-3, R-4, S-1
The District Level Technical Committee holds the primary responsibility for determining scales of finance, while the State Level Technical Committee performs review functions. Repaying capacity is categorized based on irrigation status, with rainfed areas typically assessed at forty-five percent of gross produce value. In contrast, irrigated areas allow for a higher repayment assumption of sixty-five percent of the produce value.

11. (C) Rs. 56,000
Following the standard guidelines for credit limit progression, the first-year sanctioned amount serves as the base for future increases. A ten percent annual escalation is applied to account for rising costs and scale of finance. For an initial forty-thousand-rupee limit, adding four thousand rupees each year for four subsequent years results in a maximum limit of fifty-six thousand rupees.

12. (C) Scales should be fixed with reference to resource constraints of the banks to ensure viable lending.
Scales of finance must be determined based on the realistic costs of cultivation and necessary inputs rather than the bank's own internal financial limitations. Using a database-driven approach, committees establish worksheets that reflect actual agricultural practices. This ensures that farmers receive adequate credit to sustain their operations, including specialized scales for commercial activities such as seed production by growers.

13. (A) Collateral security is strictly mandatory for all KCC loans above Rs. 50,000.
Contemporary guidelines have raised the threshold for collateral requirements to improve credit access for farmers. Banks generally require only the hypothecation of crops for card limits up to one lakh sixty thousand rupees, or potentially higher in specific cases. Mandatory collateral security for amounts as low as fifty thousand rupees is not consistent with current regulatory standards, which emphasize flexibility and ease.

14. (D) (I), (II), and (III)
The process of fixing scales of finance involves coordinated efforts between various levels of the technical committee structure. District Central Cooperative Banks serve as convenors for local committees, which establish costs based on realistic input prices. These figures are subsequently reviewed and ratified by the state-level body to ensure consistency and accuracy across the agricultural credit dispensation framework.

15. (C) Assertion (A) is true, but Reason (R) is false.
Interest subvention for post-harvest loans against negotiable warehouse receipts is capped at a three-lakh-rupee limit. However, the scheme is specifically designed to support small and marginal farmers by discouraging distress sales rather than incentivizing large corporate entities. This policy ensures that the financial benefits are directed toward individuals who lack the storage capacity and financial reserves of larger enterprises.

16. (A) 50% of Gross Value of Produce
Under traditional credit programs, lenders established standard norms to ensure that debt levels remained manageable for cultivators. It was generally accepted that a farmer could handle liabilities up to half of the gross value of their produce without significant hardship. This threshold balanced the need for adequate production credit with the necessity of maintaining the borrower's overall financial stability.

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17. (D) (I), (II), (III), and (IV)
The modern credit card system offers high flexibility, allowing unlimited debits and credits within the short-term sub-limit. Borrowers must ensure that each individual withdrawal is repaid within twelve months to maintain a healthy account. For long-term components, repayment schedules are tailored to the specific type of investment made, typically spanning a five-year period to match generated income flows.

18. (B) (II), (IV), (I), (III)
The evolution of agricultural credit began with the introduction of the card scheme in the late nineties, followed by insurance extensions for cardholders. Interest subvention of two percent for short-term production credit was implemented later to lower the cost of borrowing. Finally, additional incentives for prompt repayment were introduced to encourage financial discipline and timely recovery among the farming community.

19. (D) Maintaining a balance less than or equal to the drawing limit at any time during the preceding one-year period.
To be classified as a standard asset under prudential norms, a credit card account must reflect regular activity and adherence to limits. The account is considered performing if the outstanding balance does not exceed the sanctioned drawing limit at any point within a twelve-month window. This requirement ensures that the facility functions as a revolving credit line rather than a stagnant debt.

20. (B) (I), (II), IV, and (V) only
The credit card scheme is a broad-based initiative implemented across commercial, regional rural, and cooperative banks. Its goal is to provide timely, single-window credit for various stakeholders, including tenant farmers, oral lessees, and sharecroppers. Furthermore, Joint Liability Groups are eligible, ensuring that those without formal land ownership can still access institutional credit for their agricultural operations.

21. (B) Rs. 64,350
Following the initial calculation of the first-year limit, subsequent drawing limits are adjusted annually to accommodate rising input costs. A standard ten percent increase is applied to the previous year's total sanctioned amount. For an account starting at fifty-eight thousand five hundred rupees, the second-year limit is increased by five thousand eight hundred fifty rupees, totaling sixty-four thousand three hundred fifty.

22. (B) Gross value of produce minus estimated post-harvest losses and external debt obligations
Banks determine repayment capacity by evaluating the surplus available after meeting essential needs and consumption. Common assumptions include subtracting family consumption from the gross produce value or combining farm income with other sources before deducting expenses. These calculations help ensure that the loan amount is viable and that the borrower can sustain their household while fulfilling their financial obligations to the bank.

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23. (D) 2004-05 enhancement - Introduction of RuPay Cards for animal husbandry
The history of agricultural finance includes early innovations like fixed-period loans and credit cards for input purchases. The consolidated card scheme introduced in the late nineties brought uniformity to the system. However, the integration of RuPay technology and the specific expansion to include animal husbandry were developments that occurred much later than the early two-thousands, following advancements in digital banking.

24. (C) (I) and (III) only
Marginal farmers can access a flexible credit limit ranging from ten thousand to fifty thousand rupees under the flexi-card system. This composite limit is fixed for a five-year duration to provide stable financial support for both crop production and related small-scale needs. Unlike standard loans, this assessment does not strictly rely on the value of the land, facilitating easier credit access.

25. (B) Applying a 10% annual increase to the first-year limit to cover cost escalation and increased scales of finance.
To simplify the administrative process for both banks and borrowers, the credit limit for the second and subsequent years is adjusted automatically. Rather than requiring a full

reassessment, the bank applies a ten percent annual increase to the first-year sanctioned amount. This escalation accounts for inflation, rising input prices, and periodic revisions in the official scales of finance.

26. (D) The District Central Cooperative Bank (DCCB) acts as the convenor of the DLTC.
The District Central Cooperative Bank plays a central role in the local credit planning process by serving as the convenor for the technical committee. This committee is responsible for setting the scales of finance for different crops in the district. It brings together various stakeholders to ensure that the determined costs are realistic and reflective of current regional agricultural practices.

27. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
Short-term production loans under the card scheme are treated as revolving cash credit facilities for the purpose of applying prudential norms. This classification allows for flexible withdrawals and repayments within the drawing limit. While the standard asset status depends on the balance remaining within the drawing limit over a year, the classification itself is a separate regulatory treatment from the asset status.

28. (A) Incentive for prompt repayment - 3% up to Rs. 3.00 lakh
To encourage timely recovery of agricultural loans, the government provides a special incentive for farmers who repay their dues by the scheduled date. This prompt repayment incentive is currently set at three percent for loan amounts up to three lakh rupees. This benefit effectively reduces the net interest burden on disciplined borrowers, making institutional credit more affordable and sustainable.

29. (A) P-2, Q-4, R-3, S-1
Different components of the credit card system have distinct features and pricing mechanisms. Margins are typically inbuilt during the fixation of scales of finance, while individual banks have the discretion to decide on processing fees. The short-term portion functions as a revolving cash credit facility, whereas long-term investment loans are disbursed in fixed installments according to project requirements.

30. (A) (I), (II), and (III) only
Assessing repayment capacity involves different methods for investment and production credit. Investment loans rely on the incremental income generated by the new asset, whereas crop loans present challenges as current inputs do not always create immediate incremental gains. For small farmers, it is essential that the assessment ensures consumption levels do not fall below the recognized poverty line.

31. (C) Cash credit limits are sanctioned to StCBs in the STCCS for refinancing DCCBs or direct lending to PACS.
The Short Term Cooperative Credit System utilizes cash credit limits to ensure a smooth flow of production credit. State Cooperative Banks receive these limits from the central financing agency to either refinance District Central Cooperative Banks or provide direct funding to Primary Agricultural Credit Societies. This hierarchical structure maintains liquidity throughout the system, supporting the seasonal credit requirements of member farmers.

32. (B) In an equated installment schedule, the total amount of principal and interest paid varies every month.
Repayment schedules for term loans are designed to align with the cash flows generated by the funded activity. In an equated installment plan, the combined total of principal and interest remains constant throughout the loan term, providing predictability for the borrower. Other options include graded installments, which can adjust based on the expected increase or decrease in the generated surplus.

33. (B) Rs. 1.50 lakh
Under the concessional post-harvest scheme, farmers can obtain loans against the produce stored in accredited warehouses by pledging negotiable receipts. The maximum loan amount is capped at seventy-five percent of the actual market value of the stored produce. For a harvest valued at two lakh rupees, the farmer is eligible for a credit quantum of one lakh fifty thousand rupees.

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systems are often permanently installed and can be automated, though lateral pipes are typically small in diameter for localized distribution.

69. (A) The sector requires cultivation strictly in open farm conditions, prohibiting greenhouse technologies.
Floriculture has emerged as a high-potential sunrise industry in India, particularly for exports. It thrives through both open-field and greenhouse technologies, allowing for year-round production of high-quality flowers in states like Karnataka and West Bengal. A dedicated national agency facilitates the export development of these products, helping farmers tap into premium international markets through modern cultivation and processing methods.

70. (A) (I), (III), (II), (IV)
The mechanization process typically begins when farmers decide to hire tractors to improve operational efficiency. Banks support this transition by providing credit based on the equipment's capacity. Once purchased, the tractor must be registered with the regional transport authority. To secure the bank's interest, the loan's hypothecation is then formally entered into the vehicle's registration book as a legal charge.

71. (A) (I), (II), (III), and (IV) only
India is a significant player in the global fisheries sector, which is supported by comprehensive government schemes like the Pradhan Mantri Matsya Sampada Yojana. These initiatives aim to drastically increase production while addressing challenges like overcapacity in territorial waters. While inland fisheries are growing, they often involve varied levels of technology rather than being universally characterized by high-capital automated harvesting systems.

72. (B) Sprinklers are useful for crops such as chilies, cotton, gram, jowar, maize, onion, sunflower, and wheat.
Sprinkler irrigation is a versatile technology that mimics natural rainfall, making it suitable for a wide variety of field crops. It is particularly effective for growing staples and oilseeds like wheat and sunflower. Unlike drip systems that target roots, sprinklers cover the entire field surface and are especially beneficial in areas where traditional flooding would lead to waste.

73. (D) Drip Irrigation
Drip irrigation is the most efficient choice for farmers dealing with undulating land and limited water resources. By delivering water directly to the root zone through a network of emitters, it minimizes evaporation and runoff losses. This localized application also reduces weed growth and labor requirements, making it an ideal solution for terrains where traditional irrigation methods would be impractical.

74. (C) Both (I) and (II) are correct
Land levelling is a double-edged process that significantly improves irrigation efficiency by ensuring a uniform water distribution across the field. A well-levelled field is easier to manage and reduces waste. However, if the earth movement is excessive, it can lead to the loss of fertile topsoil, potentially degrading the land's productivity unless carefully managed through proper soil conservation practices.

75. (Only (I) is correct
The development of the medicinal plant sector is supported by a national board that offers substantial subsidies to encourage systematic farming. While cultivation is increasing, a significant portion of medicinal plants is still harvested from the wild, presenting both a challenge and an opportunity for organized agriculture. Subsidies of up to seventy-five percent help farmers transition to sustainable and systematic production methods.

76. (B) 2 to 20 litres/hour
Drip irrigation is designed for precise water management, applying water at a very slow and controlled rate. Typically, individual emitters in the system discharge between two and twenty litres of water per hour. This low-flow delivery ensures that the water is absorbed directly by the soil at the root zone, maximizing efficiency and minimizing losses through evaporation or deep percolation.

77. (D) Grameen Bhandaran Yojana
The Grameen Bhandaran Yojana is a dedicated scheme focused on enhancing scientific storage capacity in rural areas. By providing capital investment subsidies for the construction and renovation of godowns, it helps farmers store their produce safely. This infrastructure is vital

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43. (B) It is the share of the borrowers in the total project cost, acting as their down payment.
Margin money represents the financial contribution that the borrower must make toward the total cost of an investment project. This personal stake acts as a down payment and ensures the borrower's commitment to the venture. By requiring this margin, banks reduce their overall credit exposure and ensure that the project is not funded entirely through institutional debt.

44. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Regulatory guidelines provide significant relief for farmers affected by natural calamities by allowing for the restructuring of existing loans. Under these rules, the restructured portions of both production and term loans are not classified as non-performing assets. Instead, the rescheduled installments are treated as current dues, preventing the borrower's credit rating from deteriorating due to unavoidable environmental disasters.

45. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The equal principal method is a straightforward way to structure repayments where the principal is divided evenly over the loan term. While this results in higher total payments at the beginning because interest is calculated on a larger balance, the math is simple for both the lender and the borrower. This transparency makes it a popular choice for agricultural loans.

46. (C) Rs. 65,000
The credit limit calculation considers the total area and the specific scale of finance for each crop type. Two acres of sugarcane and one acre of wheat yield a combined base requirement of fifty thousand rupees. By adding a ten percent margin for household consumption and a twenty percent margin for farm asset maintenance, the final first-year loan limit reaches sixty-five thousand.

47. (I) and (II) only
Term loan structures often utilize specialized repayment methods like graded installments or the equated installment system derived from the capital recovery factor. Graded installments are particularly useful when the generated surplus is expected to fluctuate over the life of the asset. While these financial tools are standard, banks are not prohibited from taking security, which remains a key lending requirement.

48. (B) Banks must completely suspend fresh production credit until the converted medium-term loan is fully repaid.
Banks play a vital role in recovery efforts after a natural calamity by converting short-term production loans into medium-term obligations. This restructuring, typically spanning two to five years with a moratorium, provides essential relief. Importantly, banks do not stop providing fresh credit; they are encouraged to continue production lending to help the farmer restart operations and generate new income.

49. (A) Post-harvest personal consumption and family travel expenses
The investment outlay for a term loan represents the total capital required to establish and operationalize a specific project. It includes costs for machinery, civil construction, and preoperative expenses like feasibility reports. It also covers the initial working capital needed during the gestation period. Personal or family expenses are excluded, as the loan is intended strictly for income-generating agricultural activities.

50. (C) Relaxation in eligibility norms is provided for banks in North Eastern and hilly regions to support credit flow.
Institutional credit flow is prioritized in geographically challenging areas through special regulatory provisions. Regional Rural Banks operating in the North Eastern and hilly regions can benefit from relaxed eligibility criteria regarding non-performing assets and capital requirements. This targeted support ensures that farmers in difficult terrains have access to necessary production credit, even when local banks face higher operational risks.

51. (D) The loan proposal is unviable because the repayment capacity does not leave a surplus for family obligations.
A viable credit proposal must demonstrate that the borrower can fulfill loan obligations while

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maintaining their household. Even if the project generates enough incremental income to cover principal and interest, a negative overall surplus after family expenses indicates a high risk of default. Without a buffer for personal needs, the farmer would be unable to sustain both the farm and family.

52. (D) To provide refinance to cooperative banks and Regional Rural Banks (RRBs) for crop production
The Short Term Rural Credit Refinance Funds are a critical mechanism for ensuring liquidity in the agricultural sector. They are specifically used to provide refinancing facilities to cooperative and regional rural banks, enabling them to meet the demand for crop production loans. This support helps maintain a steady flow of affordable credit to farmers throughout the country's rural banking network.

53. (A) P-4, Q-1, R-2, S-3
Calamity relief involves multiple agencies working in coordination to support the agricultural sector. State governments provide official damage assessments through Annewari certificates, while banks offer restructured loans and fresh credit. National agencies provide the necessary refinancing through stabilization funds. Additionally, dedicated crop insurance schemes like the Pradhan Mantri Fasal Bima Yojana offer coverage for actual crop losses incurred.

54. (Only (I) is correct
Term loan repayments are generally structured using either equal principal or equated total installments. The equal principal method involves dividing the total principal by the number of periods, with interest paid separately on the declining balance. In contrast, the equated installment method keeps the total payment constant each period, rather than fluctuating, providing the borrower with a fixed obligation.

55. (A) Area Development Scheme
Area Development Schemes involve formulating a cohesive project to promote a specific agricultural activity across a defined geographic region. By covering a uniform set of units within a district, banks can streamline appraisal and monitoring while focusing on localized developmental needs. this systematic approach encourages the growth of specific sectors, such as dairy, by providing targeted credit to multiple borrowers.

56. (A) Only hypothecation of crops, without insisting on collateral security
Security norms for agricultural loans have been relaxed to encourage credit uptake, especially when repayment is secured through a formal tie-up. For credit limits up to three lakh rupees with an established recovery arrangement, banks can waive collateral requirements. In such cases, the primary security is the hypothecation of the crops, facilitating easier access for farmers.

57. (I), (III), and (V) only
Agricultural term loans must be structured to ensure they are adequate, timely, and provided at a reasonable cost. The total investment outlay accurately captures the cost of equipment and machinery, while repayment schedules are carefully aligned with the project's generated cash flow. Grace periods are reserved for investments with long gestation periods rather than those that yield immediate returns.

58. (A) The Annewari certificate issued by the State Government based on crop cutting experiments
Relief measures for farmers, such as the conversion of short-term loans, are triggered by formal declarations of crop loss. The primary legal basis for this is the Annewari certificate, which is issued by the State Government following scientific crop cutting experiments. This certificate provides an objective measure of the damage, ensuring that relief is distributed fairly based on actual losses.

59. (C) The farmer's capacity to absorb and withstand financial loss without being forced into liquidation
Risk-bearing ability is a measure of a borrower's financial resilience and their capacity to survive unexpected setbacks. It represents the ability to absorb losses from a project without being forced to liquidate essential assets or end the agricultural enterprise. This dimension of creditworthiness is critical for lenders to ensure that the borrower can remain operational during difficult periods.

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60. (B) Convert the short-term loan into a medium-term loan (2-5 years) and sanction fresh production credit
In the face of a drought and official crop loss declaration, banks are mandated to provide structured relief to farmers. The standard procedure is to restructure the existing short-term production debt into a medium-term loan with a multi-year repayment schedule. To ensure the farmer can continue farming, banks also provide fresh production credit for the next cropping season.

61. (C) Completely replacing the need for minor irrigation tube wells
Farm ponds serve several important functions in agricultural management, including capturing surface runoff, enhancing climate resilience, and preventing soil erosion. They also create local employment opportunities for maintenance and construction. However, while they are a valuable supplementary water source, they are not intended to completely replace the need for traditional minor irrigation structures like tube wells.

62. (A) Mechanical shattering of clay pans and adding chemical amendments
Reclaiming soil affected by high alkalinity or salt accumulation requires a combination of physical and chemical interventions. Mechanical processes are used to break up compacted soil layers or clay pans, improving water penetration and drainage. Simultaneously, chemical amendments are added to neutralize the salts and restore the soil's pH balance, making the land once again suitable for productive cultivation.

63. (A) Water is not transported by natural flow but is lifted using pumps or surge pools.
Lift irrigation is distinguished by the active movement of water from a lower source to a higher elevation for distribution. Unlike gravity-fed systems that rely on natural downward flow, lift systems use mechanical pumps or surge pools to transport water. This technology allows for the irrigation of undulating terrains and areas situated above the available water source or canal.

64. (A) P-4, Q-3, R-2, S-1
Various specialized agencies manage different facets of the agricultural and food sectors. The export of processed foods and flowers is overseen by one agency, while another focuses on the systematic development of medicinal plants. Warehouse accreditation for credit purposes is handled by a regulatory body, and food safety standards are strictly maintained by a dedicated national authority.

65. (A) Field Drainage - Method to increase surface water runoff and induce soil compaction
Proper land management techniques are essential for sustainable agriculture. Bench terracing involves modifying slopes into level steps, while farm ponds capture runoff for irrigation. Chemical reclamation specifically addresses soil alkalinity issues. Conversely, field drainage is intended to remove excess water from the root zone to improve aeration and plant growth, rather than to cause soil compaction or increase runoff.

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66. (A) (I) and (II) only
The Animal Husbandung Infrastructure Development Fund is a substantial government initiative designed to modernize the livestock sector with a multi-crore outlay. It provides a three percent interest subvention to borrowers, significantly reducing the cost of capital for infrastructure projects. Additionally, the fund often includes credit guarantee coverage to encourage banks to lend to entrepreneurs in the dairy and meat sectors.

67. (C) A structure with capacities to irrigate up to 2000 hectares
Minor irrigation projects are defined by their relatively small scale compared to major and medium irrigation schemes. In the context of institutional financing, these structures are typically characterized by their ability to provide irrigation to a land area of up to two thousand hectares. They are essential for providing localized water solutions and are a major area for agricultural investment credit.

68. (A) (I), (II), IV, and (V) only
Micro-irrigation systems use specialized components like control heads, sand filters, and emitters to deliver water efficiently. Control heads manage pressure and flow, while filters remove debris that could clog the system. Emitters ensure precise water delivery to plants. These

34. (D) (I), (II), (III), and (IV)
Evaluating a borrower's creditworthiness involves analyzing several key factors, often referred to as the various dimensions of credit. These include the borrower's integrity and past behavior, their ability to withstand financial risks, and the expected returns on the capital invested. Additionally, the repayment capacity is scrutinized to ensure a surplus remains after meeting both farm expenses and family needs.

35. (C) 1 year
When natural disasters strike, banks provide relief by restructuring short-term production loans into medium-term obligations. A critical part of this assistance is the provision of a moratorium period, which is typically set for at least one year. This grace period allows the affected farmer time to recover from the loss and stabilize their financial position before beginning new repayments.

36. (C) Rs. 29,830
The annual equated installment for a term loan is calculated by multiplying the total loan amount by the capital recovery factor. For a loan of one lakh rupees and a determined factor of zero point two nine eight three, the resulting yearly payment is twenty-nine thousand eight hundred thirty rupees. This method ensures that the borrower pays a consistent amount each year.

37. (B) Rs. 10,000 to Rs. 50,000
The flexi-card system is designed to provide marginalized producers with a simplified credit facility that covers both crop production and diverse small-scale investment needs. This composite limit is structured as a range between ten thousand and fifty thousand rupees. By providing this flexible amount, the scheme addresses the immediate capital requirements of farmers who cultivate very small land holdings.

38. (D) Loans provided for over 18 months for capital activities like purchasing machinery or growing plantation crops
Agricultural term loans are credit facilities extended for durations exceeding eighteen months to fund long-term capital investments. Unlike short-term production credit, these loans are used for activities that take longer to yield returns, such as acquiring farm machinery or establishing plantation crops. They are essential for enhancing the productivity and infrastructure of the farm, requiring structured multi-year repayment schedules.

39. (B) P-2, Q-1, R-4, S-3
Grace periods are structured to match the time required for an investment to start generating income. Plantation crops like mango and cashew require several years before bearing fruit, necessitating long moratoria. In contrast, investments like poultry or micro-irrigation systems have shorter gestation periods, typically eleven to twenty-three months, reflecting the faster cycle of returns for these specific agricultural activities.

40. (D) The personal net worth of the individual borrowers of the PACS
When determining refinance limits for banks, the central agency focuses on institutional health and regulatory compliance. Key parameters include the level of non-performing assets, the capital to risk-weighted assets ratio, and adherence to various banking norms. The personal financial standing or net worth of individual borrowers at the society level is not a factor used to calculate these institutional limits.

41. (B) A declining graded installment schedule
Repayment structures can be customized to match the expected changes in the borrower's surplus over time. For machinery like tractors, maintenance and repair costs typically increase as the equipment ages, which can reduce the net surplus in later years. A declining graded installment schedule is most appropriate here, as it requires higher payments initially when operational costs are lower.

42. (C) Standard Asset
Under the current prudential guidelines, a credit card account remains in the standard category if its outstanding balance does not exceed the sanctioned drawing limit. In this scenario, the balance stayed within the limit throughout the year and even decreased at one point. This behavior demonstrates satisfactory operation of the credit facility, meeting the requirements for a performing asset classification.

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for preventing post-harvest losses and protecting farmers from being forced into distress sales immediately after the harvest season.

78. (D) Bench Terracing
Bench terracing is a specialized land development technique used on sloping terrains to control water flow and soil erosion. It involves transforming steep land into a series of level steps or benches, which are particularly suitable for rice-based cropping systems. This method allows for effective water ponding and management in areas where traditional flat cultivation would lead to rapid runoff.

79. (B) Reorientation of cultivation through cluster-based development linking farmers to markets
The horticulture and plantation sectors are moving toward a more organized and market-linked production model. This shift involves adopting cluster-based development, where farmers in a specific area work together to produce high-value crops. By creating these clusters, the sector can better integrate with supply chains, ensuring that growers have direct access to buyers and receive fair market prices.

80. (B) (I), (III), and (IV) only
Farm ponds are valuable assets for capturing surface runoff, which helps in groundwater recharge and the conservation of natural resources. They provide a reliable water source that allows for timely sowing and the irrigation of multiple crops throughout the year. Far from increasing vulnerability, these structures enhance the farm's overall resilience by providing a buffer against irregular rainfall patterns.

81. (B) (I), (II), and (IV) only
The poultry sector is split between an organized commercial industry and a widespread unorganized sector that provides vital supplementary income through backyard farming. Disease control is a critical issue, requiring strict adherence to international standards for biosecurity and compartmentalization. Outbreaks like avian influenza are viewed as significant threats to the sector's stability rather than opportunities for growth or breeding.

82. (A) Laser-controlled precision levelling is cheap and unfeasible only because it requires completely dry soil.
Land levelling is a complex process that improves the utilization of water and energy resources by creating a uniform field surface. While it has clear benefits, major topographical changes can sometimes lead to soil compaction or drainage issues. Laser-controlled precision levelling is a highly effective modern method, though its adoption is often limited by the significant equipment costs involved.

83. (D) Drip Irrigation - Employs a network of emitters dripping water at 2-20 litres/hour
Drip irrigation is characterized by its high precision, using a network of emitters to deliver water at a controlled rate of two to twenty litres per hour. This contrasts with other methods like lift irrigation, which focuses on elevating water, or sprinklers, which distribute water through the air. Drip systems target the root zone directly, making them the most water-efficient choice.

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84. (C) Over-abundance of robust supply chain mechanisms leading to market saturation
The horticulture and plantation sectors face several significant hurdles, including high post-harvest losses and a lack of adequate quality monitoring. Farmers often struggle with price fluctuations and insufficient market linkages. Rather than having an over-abundance of supply chains, the sector is actually constrained by underdeveloped logistics and a lack of robust mechanisms to connect producers efficiently with consumers.

85. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Contour bunding is a soil conservation technique that must be applied carefully based on soil type. In deep black cotton or clayey soils, the tendency of the earth to develop deep cracks poses a risk to the structural integrity of the bunds. These cracks can lead to bund failure, making this particular method unsuitable for these specific soil conditions.

sophisticated technologies, these projects optimize production environments, ensuring that outputs meet the precise requirements of both domestic consumers and international export standards for quality and safety.

103. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Providing long-term credit to a large number of small farmers involves significant administrative and monitoring challenges for banks. The long repayment periods and the sheer volume of accounts contribute to high transaction costs, particularly in government-sponsored programs. These factors make it difficult for financial institutions to maintain close oversight, increasing the overall operational risk associated with small-scale agricultural term lending.

104. (D) Reports indicate that grapes, pomegranates, mangoes, bananas, and oranges account for a larger portion of fruits exported.
India's fruit export basket is dominated by a select group of high-demand products, including grapes, mangoes, and pomegranates. These fruits represent the bulk of the country's fresh produce exports to international markets. Success in this sector is driven by the adoption of modern cultivation practices and better post-harvest management, enabling Indian growers to meet the strict quality standards required abroad.

105. (A) P-3, Q-1, R-2, S-4
Gold loans are managed through several key parameters, including the loan-to-value ratio and purity standards. Hallmarked jewelry is preferred as it indicates adherence to recognized quality norms. For non-agricultural purposes, the loan tenure is typically limited to twelve months. Valuation relies on prices quoted by recognized bullion associations, ensuring that the credit provided is based on accurate market data.

106. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Sericulture is a labor-intensive, agro-based industry that plays a vital role in rural and semi-urban employment. It requires integrated capital investments for both the cultivation of mulberry plants and the construction of specialized rearing houses for silkworms. This combination of agricultural and cottage-based activities makes it a powerful tool for economic development and job creation in traditional silk-producing regions.

107. (A) Gold ornaments accepted as collateral must be valued at the spot price of 24 carat gold on the exact day of loan sanction.
Valuation of gold collateral must follow a transparent and standardized process to protect both the bank and the borrower. Guidelines specify that the valuation should be based on the average closing price of twenty-two-carat gold for the preceding thirty days. This calculation utilizes price data provided by the India Bullion and Jewellers' Association Limited to ensure consistency and market accuracy.

108. (A) The export of frozen shrimps contributed entirely to the decline of the domestic aquaculture market.
The aquaculture and fisheries sector has seen significant growth through the adoption of new technologies and institutional support. Agencies like the Marine Products Export Development Authority play a key role in facilitating the export of frozen shrimps and other seafood. Rather than causing a decline, these exports have bolstered the industry, providing entrepreneurs with lucrative opportunities in both domestic and international markets.

109. (D) Hi-Tech Agriculture (Tissue Culture)
Projects involving the mass production of disease-free, genetically uniform plant materials in laboratory settings fall under the category of hi-tech agriculture. Plant tissue culture is a sophisticated biological technique used for crops like bananas to ensure high-quality, high-yield output. Such capital-intensive ventures require specialized appraisal by banks to account for the controlled environmental conditions and technical expertise needed for success.

110. (D) Elimination of prudential norms by the regulator for term loans
Lenders find significant business opportunities in the agricultural sector due to favorable government policies and the potential of unexploited markets. Support from higher financing agencies also encourages the expansion of term credit. However, these opportunities exist

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discretion in setting loan ceilings and interest periods, they must also adhere to standard financial transparency norms. Mandatory cash disbursement for all amounts is not a standard requirement, as banks are generally encouraged to use digital or account-based transfers.

95. (B) Modernizing small slaughterhouses to improve hygienic meat supply and reduce environmental pollution
The credit-linked scheme for abattoirs focuses on the modernization of meat processing facilities to ensure a safe and hygienic supply for consumers. By upgrading small slaughterhouses, the initiative aims to improve public health standards and significantly reduce the environmental pollution often associated with traditional methods. This transition to hi-tech abattoirs helps create a more sustainable and professional livestock value chain.

96. (B) Flexibility to repay principal and interest as a lump sum instead of equated monthly installments (EMIs).
Gold loans offer a unique advantage in repayment structure compared to standard personal loans. Borrowers often have the flexibility to repay both the principal and the accumulated interest as a single lump sum at the end of the loan tenure. This arrangement is particularly beneficial for individuals with irregular income flows who may find monthly installment payments difficult to maintain.

97. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The horticulture and plantation sectors are recognized as sunrise industries due to their ability to transform rural economies. They provide farmers with opportunities to diversify into high-value crops that offer better financial returns than traditional grains. By utilizing these dynamic tools, the agricultural sector can improve overall economic conditions while meeting the growing demand for diverse and quality produce.

98. (A) The Directorate of Mushroom Research Unit (of ICAR) at Solan
Aspiring mushroom growers can access specialized technical support and training through a dedicated research unit located in Solan. This institution provides the necessary expertise on cultivation techniques, spawn production, and disease management. By utilizing the guidance offered by this research center, entrepreneurs can establish viable and productive mushroom units that meet modern agricultural standards and consumer demands.

99. (D) 90%
Central regulatory authorities periodically adjust the loan-to-value ratio for gold advances to provide liquidity during specific economic challenges. Increasing the limit from the traditional seventy-five percent to ninety percent allowed borrowers to access more capital against the same amount of gold. This measure was specifically designed to mitigate the financial impact of downturns on households and small business owners.

100. (C) Deep sea autonomous robotic trawling
Hi-tech agriculture includes advanced projects such as plant tissue culture, commercial mushroom cultivation, and modern hygienic abattoirs. these activities use sophisticated technology to produce high-value goods under controlled conditions. while deep-sea fishing is a significant sector, the use of fully autonomous robotic trawling is not a standard example of the hi-tech agricultural projects currently prioritized for institutional financing.

101. (A) Gold loans are exempt from IRAC norms because they are fully secured by tangible assets.
Managing a gold loan portfolio requires careful adherence to both appraisal standards and prudential norms. Banks must ensure that employees are skilled in assessing gold purity and that borrowers are encouraged to service interest regularly. Crucially, these loans are not exempt from income recognition and asset classification rules, as they must still be monitored for timely repayment and collateral adequacy.

102. (A) Using sophisticated technology for high value products requiring stringent quality and hygienic standards
Hi-tech agriculture is characterized by the integration of advanced scientific techniques to produce high-value agricultural commodities. This approach emphasizes the maintenance of stringent quality controls and hygienic standards necessary for modern markets. By utilizing

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86. (B) Crop water use is dictated by growth needs; savings come from reduced deep percolation, runoff, and evaporation.
The biological water requirement of a crop is determined by its growth stage and environmental conditions rather than the irrigation method. Drip irrigation does not reduce the actual amount of water the plant consumes. Instead, it saves water by significantly increasing application efficiency, drastically reducing losses that typically occur through surface evaporation, field runoff, and deep drainage below the roots.

87. (A) P-3, Q-4, R-1, S-2
The rural godown scheme provides tiered subsidies to encourage the development of scientific storage. Higher subsidy rates are reserved for projects in hilly areas, the North-East, and for entrepreneurs from specific backgrounds. Other categories receive a standard twenty-five percent subsidy. The scheme also sets clear capacity parameters, ranging from a minimum of one hundred tons to a maximum of thirty thousand.

88. (A) P-3, Q-4, R-1, S-2
Land development activities are chosen based on regional rainfall and terrain slope. Contour bunds are most effective in low-rainfall areas with gentle slopes, while graded bunds are suited for areas with higher rainfall. More intensive methods like contour trenches are used for steeper slopes, and chemical reclamation is specifically targeted at restoring the productivity of highly alkaline or saline soils.

89. (B) Tea, coffee, and rubber are the three major organized plantation crops covered under the Plantation Labour Act.
In India, the plantation sector is categorized into major organized crops that are subject to specific labor and land regulations. Tea, coffee, and rubber form this core group, falling under the purview of the Plantation Labour Act. These crops are historically significant and operate as large-scale, organized agricultural enterprises that contribute substantially to the country's economy and export earnings.

90. (A) (I) and (II) only
Farm mechanization leads to significant improvements in agricultural productivity by ensuring timely operations and increasing cropping intensity. It also promotes the efficient use of inputs, resulting in substantial savings of seeds and fertilizers. Contrary to increasing the workload, advanced machinery is designed to reduce the drudgery of manual labor, benefiting all farm workers, including women, by streamlining tasks.

91. (C) India accounts for only two percent of world production, with a low per capita consumption of 30 grams.
Mushroom cultivation in India is currently in a nascent stage compared to global standards. The country contributes only a small fraction to total world production, and domestic consumption remains very low at just thirty grams per person. This highlights a massive potential for growth in the sector, as consumer awareness increases and more farmers adopt these high-value, indoor-grown crops.

92. (C) 30,000 tons
While the rural godown scheme encourages the creation of large-scale storage, there are upper limits on the financial support provided. For massive construction projects, the government subsidy is restricted to a maximum capacity of thirty thousand tons. Any capacity built beyond this limit by a cooperative or entrepreneur must be funded without the benefit of the scheme's capital investment subsidy.

93. (C) APEDA
Entrepreneurs entering the commercial floriculture and processed food sectors for export purposes must coordinate with a specialized nodal agency. This organization provides necessary guidance, manages subsidies, and facilitates market access for high-value agricultural exports. By working with this agency, growers can ensure their products meet international quality standards and successfully navigate the complexities of the global trade environment for fresh produce.

94. (C) The loan must be disbursed exclusively via cash regardless of the amount.
Loans against gold ornaments for non-agricultural purposes are subject to specific banking regulations regarding tenure and interest recognition. While banks have some

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within a robust regulatory framework; prudential norms are never eliminated, as they are essential for maintaining the overall health and stability of the banking system.

111. (D) Auctions must follow the timelines and norms laid down in the bank's Auction Policy and Fair Practice Code.
Banks must conduct auctions of pledged gold ornaments in a transparent manner when borrowers default on their obligations. These procedures are strictly governed by the institution's internal auction policy and the established fair practice code. This ensures that the process is legally sound, providing necessary notices to the borrower while maintaining standardized methods for the recovery of outstanding bank dues.

112. (B) It permits the production and propagation of genetically homogeneous, disease-free plant material.
Plant tissue culture is a vital tool for modern commercial agriculture, allowing for the rapid propagation of plants under sterile conditions. Its main advantage is the ability to produce large quantities of genetically uniform and disease-free plant material. This technology is essential for ensuring the quality and productivity of high-value crops, providing farmers with a reliable source of healthy planting stock.

113. (C) 2 kg - 3 kg
The consumption patterns for mushrooms vary significantly between different global markets. While Indian consumption remains relatively low, the average per capita consumption in more developed regions like the United States and Europe is much higher, typically ranging between two and three kilograms annually. This stark difference indicates a massive opportunity for domestic market expansion as dietary habits continue to evolve.

114. (B) It shows gold adheres to international purity standards, making the granting of advances safer.
Hallmarking provides a reliable guarantee of gold purity, adhering to established international standards. For banks, accepting hallmarked jewelry as collateral significantly reduces the risk associated with inaccurate valuation or low-quality metal. This transparency makes the credit granting process safer and more efficient, as both the lender and the borrower have clear assurance regarding the actual value of the pledged assets.

115. (A) P-4, Q-3, R-1, S-2
Hi-tech agricultural sectors are supported by various nodal agencies that oversee their development and export potential. Tissue culture focuses on producing disease-free plants, while dedicated agencies handle the export development of flowers and marine products. Modernizing slaughterhouses also falls under specific ministerial oversight, ensuring that each specialized agricultural activity receives the appropriate technical and administrative guidance for growth.

116. (D) Challenges in economies of scale due to high disease surveillance and strict biosecurity requirements
Transitioning to organized poultry farming presents significant hurdles for small-scale producers. The sector requires intensive disease surveillance and strict biosecurity measures to maintain healthy flocks and meet market standards. Achieving the necessary economies of scale to cover these high operational costs is a major challenge, often making it difficult for individual small farms to compete without being part of larger contract farming arrangements.

117. (D) Standardizing procedures for delivery to legal heirs, loss of receipts, or delivery to third persons
To protect both the bank and the borrower, standardized legal procedures must be established for the return of gold collateral. These rules ensure clear protocols for various scenarios, such as the death of the borrower or the loss of original loan receipts. By formalizing the process for delivery to legal heirs or authorized representatives, banks minimize the risk of legal disputes.

118. (D) Exploring business in unexploited sectors while utilizing government support and favorable policies
Banks can effectively manage the costs and risks of small-scale agricultural lending by tapping into new and unexploited sectors. Utilizing government-supported programs and favorable policies allows financial institutions to broaden their portfolio while mitigating individual credit

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(C) To export raw cotton fibers directly to highly competitive international markets
(D) To replace primary village markets with large corporate retail supply chains

May/June 2019

9. Which of the following is a designated function of the District Industries Centre?
(A) Managing the import-export tariffs for the small-scale sector
(B) Guiding entrepreneurs on credit and materials while conducting potential surveys
(C) Providing direct foreign direct investment to rural artisans
(D) Regulating the minimum support prices for agricultural commodities

Oct/Nov 2006

10. Through an Act of Parliament, in which year did the Khadi and Village Industries Commission come into existence?
(A) 1947
(B) 1951
(C) 1954
(D) 1956

May/June 2021

11. Which of the following correctly describes the Khadi Reform and Development Program?
(A) It restricts the earning potential of artisans to control inflation.
(B) It replaces traditional Khadi spinning with imported automated machinery.
(C) It is a loan waiver scheme for defaulting Khadi institutions.
(D) Repositioning Khadi through market links and enhanced remuneration

Oct/Nov 2010

12. Which activities collectively define the sericulture industry?
(A) Harvesting natural silk from forest trees without rearing worms
(B) Synthesizing artificial silk threads using chemical processing
(C) Cultivating food for silkworms and reeling cocoons to unwind the filament
(D) Manufacturing looms specifically designed for silk weaving

May/June 2005

13. What is the fundamental cause of stagnation in the growth of the handicrafts sector despite high market potential?
(A) Slow introduction of innovative methods and technology for production
(B) Over-reliance on online e-commerce platforms for marketing and distribution
(C) Excessive government intervention in fixing the final retail craft prices
(D) Complete depletion of natural raw materials required for traditional crafts

Oct/Nov 2022

14. How has the decentralization process positively impacted the rural non-farm sector environment over the last two decades?
(A) Central government has centralized all necessary approvals for rural and urban MSMEs.
(B) Panchayati Raj Institutions are solely responsible for managing all foreign direct investments.
(C) State governments exercise decision-making independence to attract higher FDI levels.
(D) District Industries Centres operate entirely independently of overarching state policies.

May/June 2018

15. Which statement correctly reflects the village industries sector production for the year 2020-21?
(A) Production stood at ₹ 1,905 crore.
(B) Production stood at ₹ 84,675 crore.
(C) Production stood at ₹ 4,211 crore.
(D) Production stood at ₹ 92,214 crore.

Oct/Nov 2016

16. How is the third major sub-sector of the Rural Non-Farm Sector defined in terms of its workforce and market?
(A) Low-earning paid workers within a disintegrated labour supply market
(B) Productive enterprises run on a stable basis with target surplus generation
(C) Seasonal artisan activities using primitive technology catering to local markets
(D) High-skill artisans targeting specialized export markets with modern technologies

May/June 2014

17. Which of the following is cited as a driving factor for robust rural wage growth in recent periods?

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CHAPTER 11

Financing the Rural Non-Farm Sector

May/June 2016

1. In which year was the Small Industries Development Organization established as an apex body for the small-scale sector?
(A) 1947
(B) 1954
(C) 1962
(D) 1983

Oct/Nov 2009

2. Why is the coir industry considered of great economic significance to coconut-producing states?
(A) It relies entirely on imported coconut husk from secondary global producers.
(B) It is a highly capital-intensive industry requiring minimal manual labor input.
(C) Low-investment use of coconut husk to generate local employment and income
(D) It produces synthetic fibers that compete globally with limited natural resources.

May/June 2023

3. What is the fundamental nature of the Prime Minister's Employment Generation Program?
(A) A training-based initiative focused on skill development for rural women
(B) A direct cash transfer scheme providing financial aid to agricultural laborers
(C) A credit-linked subsidy program for generating sustainable self-employment
(D) A raw material procurement program intended for large-scale heavy industries

Oct/Nov 2018

4. Which of the following correctly outlines the Udyog Aadhaar Memorandum initiative?
(A) It is a mandatory physical document requiring multiple state approvals.
(B) It charges a high registration fee to ensure only serious businesses apply.
(C) Online self-certification registration using a simple one-page form with no fees
(D) It is an offline registration system handled exclusively by Panchayati Raj Institutions.

May/June 2007

5. Which of the following best represents the institutional basis strength of the rural non-farm sector in India?
(A) High levels of foreign direct investment directed toward primary agriculture
(B) A financial system with credit access and institutional support from KVIC and SIDBI
(C) Complete deregulation of rural markets without any form of central government intervention
(D) Monopoly of private sector banks in providing lending services to rural borrowers

Oct/Nov 2025

6. Under the Prime Minister's Employment Generation Program, what is the subsidy range for general category borrowers in urban and rural areas respectively?
(A) 25% and 35%
(B) 15% and 25%
(C) 10% and 15%
(D) 60% and 75%

May/June 2012

7. Which of the following accurately describes the Rural Non-Farm Sector in terms of primary beneficiaries and location?
(A) Off-farm and non-farm activities in primary sectors primarily benefiting urban areas
(B) Non-farm work in secondary and tertiary sectors benefiting rural areas
(C) On-farm and related activities in the primary sector benefiting semi-urban areas
(D) Heavy industries and manufacturing in the secondary sector benefiting metropolitan centers

Oct/Nov 2014

8. What is the primary purpose of the KVIC forging linkages with established marketing agencies?
(A) To privatize the production of Khadi garments in metropolitan centers
(B) To promote the marketing of khadi, village products, or handicrafts where feasible

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(A) A high-density coir-based ply used as a cost-effective substitute for plywood
(B) A spongy coir material separated from the husk used as a soil conditioner
(C) A motorized spinning equipment provided for the welfare of coir workers
(D) A biodegradable coir geo-textile used for soil bioengineering and remediation

May/June 2020

27. Which of the following accurately describes the ASPIRE scheme?
(A) Creating jobs through skill-upgradation, incubation, and credit support
(B) It provides direct cash benefits to large-scale manufacturers.
(C) It strictly focuses on foreign direct investment in metropolitan cities.
(D) It is a scheme to eliminate traditional industries in favor of modern IT firms.

Oct/Nov 2015

28. What is the maximum financial support provided for a Major Cluster under the Scheme of Fund for Regeneration of Traditional Industries (SFURTI)?
(A) ₹ 2.00 crore
(B) ₹ 5.00 crore
(C) ₹ 8.00 crore
(D) ₹ 10.00 crore

May/June 2013

29. Which of the following statements correctly describes the Rural Industries Projects program?
(A) It was launched in 1979 to replace the District Industries Centre program.
(B) It strictly focuses on foreign direct investment in metropolitan cities.
(C) Developing techniques for promoting intensive development of small industries
(D) It prohibited the identification and motivation of local entrepreneurs.

Oct/Nov 2021

30. How does the lack of quality manpower intrinsically affect rural firms in the non-farm sector?
(A) It prevents firms from accessing necessary raw materials on a global scale.
(B) It eliminates the need for establishing essential backward industrial linkages.
(C) It increases the surplus labour available for the urban heavy construction sector.
(D) Technical skill gaps offer little incentive for firms to invest in new technology.

May/June 2024

31. Which statement regarding the Revival Reform and Restructuring Package for the handloom sector is incorrect?
(A) It was implemented during the 12th Plan Period.
(B) It had a total outlay of about ₹ 3880 crores.
(C) It waived all future loan interest for weavers for life.
(D) It aimed to benefit 15000 Weavers' Cooperative Societies.

Oct/Nov 2008

32. Which of the following is not a technical parameter advocated for the healthy growth of the sericulture sector?
(A) High yielding Mulberry varieties are recommended specific to agro-climatic regions.
(B) Rearing houses should be constructed adjacent to dwelling houses to share ventilation.
(C) Disinfectants should be used as per recommendations of the Research Institutes.
(D) Two acres of chawkie garden is essential for a CRC to rear 1.50 to 1.60 lakh DFLs.

May/June 2006

33. Which of the following is not a component or feature of the Block Level Cluster under the National Handloom Development Program?
(A) Financial assistance up to ₹ 2.00 crore per BLC.
(B) Mandatory export of 100% of production.
(C) Setting up of common facility centres.
(D) Financial assistance up to ₹ 50.00 lakh for setting up a dye house at the district level.

Oct/Nov 2017

34. What is the most prominent feature of the Ambedkar Hastshilp Vikas Yojana?
(A) It mandates artisans to relocate to urban areas for training.
(B) It focuses solely on providing life insurance to artisans without any skill development.
(C) It provides raw materials exclusively imported from other countries.
(D) Surveying and developing clusters into

NODIA

(A) Tightening of the labour market caused by growth in urban construction
(B) Decreased minimum support prices for all major agricultural commodities
(C) Withdrawal of all government employment guarantee schemes in rural areas
(D) High levels of deflation throughout the domestic rural economy

Oct/Nov 2007

18. According to the employment-unemployment survey 2015-16, what was the rural sector unemployment rate under the Usual Principal Status approach?
(A) 4.3%
(B) 4.9%
(C) 5.1%
(D) 8.7%

May/June 2025

19. What is a key mandated activity of the Central Silk Board concerning commercial silkworm seed?
(A) Banning the import of all foreign silk varieties to protect local farmers
(B) Directly purchasing all raw silk from farmers to fix nationwide retail prices
(C) Restricting sericulture activities solely to the North Eastern Region of India
(D) Leading commercial seed production through a four-tier silkworm seed network

Oct/Nov 2019

20. In the context of rural non-farm activities, why are forward linkages to agriculture particularly important?
(A) They provide inputs where traditional agricultural technologies are utilized
(B) They ensure the profitable export of raw and unprocessed agricultural produce.
(C) They eliminate the need for developing efficient rural transport infrastructure.
(D) They replace the urgent need for accessible institutional credit for farmers.

May/June 2009

21. What is the concessional rate of interest provided for working capital purposes under the Interest Subsidy Eligibility Certificate Scheme?
(A) 2% per annum
(B) 4% per annum
(C) 6% per annum
(D) 8% per annum

Oct/Nov 2011

22. In which month and year was the District Industries Centre Program launched?
(A) May 1978
(B) December 1977
(C) August 2015
(D) March 2015

May/June 2010

23. What unique feature characterizes India's rural transformation regarding non-farm employment compared to the global experience?
(A) Labour shifts predominantly from rural farming zones to urban industrial locations.
(B) Labour shifts from agriculture into the urban construction sector on a permanent basis.
(C) Non-farm employment decreases significantly as agricultural productivity begins to rise.
(D) Non-farm job growth occurs primarily as Rural Non-Farm Employment in rural areas.

Oct/Nov 2024

24. Which of the following correctly identifies a service provided by the Small Industries Development Organization?
(A) Guaranteeing commercial bank loans for all agricultural workers
(B) Setting the monetary policy for rural cooperative banks
(C) Issuing Udyog Aadhaar Memorandums directly to large corporations
(D) Offering consultancy, training, and marketing assistance to the SSI sector

May/June 2017

25. What constitutes a major inherent strength of the handloom sector's production processes?
(A) Complete reliance on imported synthetic yarns from international manufacturers
(B) Minimal use of capital and power combined with environment-friendly operations
(C) High carbon footprint offset by massive levels of local employment generation
(D) Exclusive utilization of advanced robotic looms in modern rural industrial parks

Oct/Nov 2005

26. Which of the following defines Coir Bhoovastra?

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risks. This proactive approach helps maintain credit flow to small farmers by combining social developmental goals with sound, policy-backed institutional lending strategies.

119. (A) They are secured assets that inherently do not require any additional collateral.
Advances against gold ornaments are characterized by their self-securing nature. Because the gold itself is a highly liquid and tangible asset held by the bank, these loans typically do not require any additional collateral like land or third-party guarantees. This makes gold loans one of the most accessible and straightforward forms of credit for borrowers who have immediate capital needs.

120. (A) The transaction cost of providing term loans to small farmers is very low.
Providing term loans to small farmers involves several significant challenges, including the risk of natural calamities and the difficulty of scientific interest rate determination. Contrary to being low, the transaction costs are often quite high due to the administrative burden of managing numerous small accounts over long durations. Furthermore, limited institutional capacity for risk analysis can further complicate the lending process.

121. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Banks utilize a standardized valuation process that uses twenty-two-carat gold as the benchmark. If a borrower pledges gold of lower purity, the bank must translate that weight into its twenty-two-carat equivalent to ensure accuracy. This is necessary because official price data used for valuation is typically quoted for twenty-two-carat gold, requiring a consistent basis for determining the maximum loan amount.

122. (C) Banks must fix a uniform interest rate mandated across all branches without discretion.
Banks manage gold loan portfolios using standardized application forms and mandatory identity verification procedures. Documentation must strictly adhere to the established fair practice codes and internal auction policies to ensure transparency. However, interest rates are typically determined by individual banks based on cost of funds and risk assessment rather than being uniformly mandated for all institutions by a central authority.

123. (C) Rs. 3,68,181
Valuation begins by converting the eighteen-carat gold into its twenty-two-carat equivalent based on purity ratios. One hundred grams of eighteen-carat gold translates to approximately eighty-one point eight grams of twenty-two-carat gold. Applying the ninety percent loan-to-value ratio to the average price of five thousand rupees per gram results in a maximum loan amount of three lakh sixty-eight thousand one hundred eighty-one rupees.

124. (A) P-2, Q-1, R-3, S-4
Gold valuation scenarios require specific institutional responses to maintain consistency. When purity matches the benchmark, standard thirty-day average prices are applied, while lower purity requires proportional weight translation. Banks also exercise discretion during periods of high price volatility by adjusting their per-gram rates. Furthermore, hallmarked items are often given preferential treatment, reflecting their higher reliability and adherence to recognized international standards.

125. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Regular interest payments are beneficial for maintaining the security margin of a gold loan throughout its tenure. This practice prevents the outstanding balance from exceeding the collateral value due to accumulated interest and market price volatility. Consequently, periodic servicing reduces the likelihood of the bank being forced to auction the jewelry to recover dues, protecting the borrower's ownership.

NODIA

community enterprises

May/June 2008

35. Which of the following is not an objective of the Government for promoting Village and Small Industries?
(A) Ensuring complete mechanization to replace local manpower
(B) Widespread dispersal of industries
(C) Sustaining and creating avenues of self-employment
(D) Preserving craftsmanship and heritage of the country

Oct/Nov 2013

36. Which of the following is the most significant function of the National Small Industries Commission?
(A) Providing leasing, raw material, and marketing for SSI units
(B) Imparting basic primary education in rural villages
(C) Formulating the monetary policy for regional rural banks
(D) Registering geographical indications for agricultural crops

May/June 2015

37. Which of the following statements regarding the Third Handloom Census is incorrect?
(A) Gujarat leads the country in the share of handloom workers.
(B) Nearly 27.83 lakh handloom households are engaged in weaving and allied activities.
(C) 87% of handloom households are in rural areas.
(D) The North Eastern Region accounts for nearly 65.2% of total operational handlooms.

Oct/Nov 2012

38. The handloom sector boasts a variety of products. Which of the following is not categorized under wearables?
(A) Gamcha
(B) Mekhla-chaddar
(C) Sarong
(D) File covers

May/June 2011

39. In the context of KVIC's functions, what is its most crucial role regarding raw materials?
(A) Exporting raw materials to foreign textile companies
(B) Banning the use of non-conventional energy in processing raw materials
(C) Charging premium prices for raw materials from village artisans
(D) Reserving raw materials and implements to supply producers

Oct/Nov 2020

40. Identify the incorrect statement regarding Institutional Finance for the handloom sector.
(A) RBI formulated a Handloom Refinance Scheme as back as in 1956.
(B) Refinance was subsequently extended to silk and woolen handloom weavers' societies.
(C) NABARD has laid down prudential guidelines for working capital assessment.
(D) Refinance schemes for cooperative banks are currently administered by SIDBI exclusively.

May/June 2022

41. Which of the following represents the correct chronological order of the establishment of these organizations?
(A) SIDO → KVIC → DIC → NIESBUD
(B) KVIC → SIDO → DIC → NIESBUD
(C) KVIC → DIC → SIDO → NIESBUD
(D) SIDO → KVIC → NIESBUD → DIC

Oct/Nov 2023

42. Identify the incorrect statement regarding the India Handloom Brand.
(A) It was launched in August 2015.
(B) It promotes niche handloom products with high quality and zero defect.
(C) Registration is limited strictly to government-owned cooperatives.
(D) It ensures a zero effect on the environment.

May/June 2016

43. Several ministries have laid down schemes providing impetus for handicrafts. Which of the following is not explicitly mentioned as one of those ministries?
(A) Ministry of Minority Affairs
(B) Ministry of Heavy Industries and Public Enterprises
(C) Ministry of Women and Child Development
(D) Ministry of Development of North East Region

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Oct/Nov 2009

44. Which of the following is not listed as a constraining factor in the growth and development of the RNFS sector?
(A) Technological obsolescence
(B) Inadequate and irregular supply of raw material
(C) Imperfect knowledge of market conditions
(D) Over-availability of institutional credit

May/June 2023

45. What is the primary objective of the Coir Udyami Yojana?
(A) To provide a 100% grant for exporting raw coconut husks
(B) To strictly fund state government administrative expenses
(C) Credit-linked subsidies for coir units costing up to ₹ 10 lakhs
(D) To discourage women entrepreneurs from entering the coir industry

Oct/Nov 2018

46. Identify the incorrect statement regarding the exports of Indian handloom products.
(A) They were valued at USD 353.9 million in 2017-18.
(B) India is the largest exporter of such products in the world.
(C) In the last five years, India exported over USD 1.8 billion worth of products.
(D) Over 125 countries globally purchase handloom products from India.

May/June 2007

47. Which statement best encapsulates the Weaver MUDRA Scheme?
(A) It offers 100% subsidy on loom purchases without any repayment obligation.
(B) 6% interest credit with margin assistance up to ₹ 10,000
(C) It is exclusively meant to fund large textile mills in metropolitan cities.
(D) It restricts weavers from accessing bank credit by mandating private moneylender loans.

Oct/Nov 2025

48. Which statement regarding the Yarn Supply Scheme is incorrect?
(A) It makes available all types of yarn at Mill Gate Price.
(B) It is exclusively applicable to domestic silk and excludes cotton and wool.
(C) Freight is reimbursed and depot operating charges are given at 2% to depot operating agencies.
(D) A component of 10% price subsidy exists on hank yarn.

NODIA

May/June 2012

49. The Council for Scientific and Industrial Research includes several prominent institutions. Which of the following is not an institution under CSIR?
(A) National Institute of Fashion Technology
(B) Central Leather Research Institute
(C) Central Glass and Ceramic Research Institute
(D) Central Food Technology Research Institute

Oct/Nov 2014

50. The Honey Mission aims to improve livelihoods working around five dynamics. Which of the following is not one of those dynamics?
(A) Medicinal and food value of honey
(B) Supporting agricultural activities
(C) Establishing large-scale automated sugar refineries
(D) Contributing to forests conservation efforts

May/June 2019

51. What is the primary purpose for which NABARD set up the Gramya Vikas Nidhi?
(A) To issue commercial bonds in international markets
(B) To fund the construction of national highways
(C) To refinance large-scale urban industrial projects
(D) Grant support for off-farm sector promotional activities

Oct/Nov 2006

52. Which statement regarding E-Commerce in the handloom sector is incorrect?
(A) A policy framework promotes e-marketing of handloom products.
(B) Any willing e-commerce platform with a good track record can participate.
(C) 23 e-commerce entities have been engaged for on-line marketing.
(D) Only a single state-owned portal is permitted to sell handloom products online.

May/June 2021

53. During the First Plan, the Cottage Industries Board was divided into several independent boards. Which of the following was not one of those established during that specific restructuring period?
(A) All-India Handloom Board
(B) All-India Handicraft Board
(C) Central Silk Board
(D) Khadi and Village Industries Board

Oct/Nov 2010

54. What is the most appropriate description of the primary aim of the Scheme of Fund for Regeneration of Traditional Industries?
(A) To provide individual loans to corporate manufacturers
(B) To dismantle traditional clusters and promote standalone factories
(C) Grouping artisans to ensure competitive sustainability
(D) To provide 100% grant for setting up urban retail malls

May/June 2005

55. The Comprehensive Handloom Cluster Development Scheme has several intents. Which of the following is not one of them?
(A) Eliminate all professional designers to maintain strict traditional orthodoxy
(B) Empower handloom weavers and build their capacity to enhance competitiveness
(C) Facilitate collectivization of handloom weavers
(D) Involve professional marketing chains and marketers

Oct/Nov 2022

56. Which of the following statements about Hathkargha Samvardhan Sahayata is incorrect?
(A) The remaining 10% cost is borne directly by the State Government.
(B) It focuses on providing looms and accessories to weavers.
(C) 90% of the cost of the loom/accessory is borne by the Government of India.
(D) The Government of India's share is released to the supplier through Weavers' Service Centre.

May/June 2018

57. What is the most appropriate role of the Council of Handicrafts Development Corporations?
(A) Apex body facilitator providing trade impetus and direction
(B) To engage directly in the international trading of handicrafts
(C) To act as a regulatory body imposing penalties on non-compliant artisans
(D) To serve as a private retail outlet for selling machine-made goods

Oct/Nov 2016

58. Which of the following statements regarding the economic importance of the Handicrafts Sector is incorrect?
(A) The Merchandise Export from India Scheme incentive rate for handicrafts was reduced from 7% to 5%.
(B) Most manufacturing setups have local employees and indigenous owners.
(C) It is a major source of foreign exchange earnings for the nation.
(D) Handicrafts exports stood at USD 3.53 billion during 2019-20.

May/June 2014

59. What is considered the primary strategic reason for fostering rural non-farm employment in recent times?
(A) To force urbanization and deplete rural populations
(B) To replace agriculture entirely with heavy manufacturing
(C) Decentarlizing economic activities to halt urban migration
(D) To reduce the minimum support prices for farm goods

Oct/Nov 2007

60. Which of the following is not considered a weakness of the non-farm sector?
(A) Lack of infrastructure
(B) Highly centralized state-level decision making processes
(C) Absence of quality of manpower
(D) Absence of forward and backward linkages

May/June 2025

61. Match the institutional bodies in List-I with their characteristics in List-II.
List I: (Institution)
P. SIDBI
Q. MUDRA
R. COHANDS

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S. EPCH

List II: (Characteristic)

1. Apex body of 29 state/central level Handicrafts Development Corporations
2. Refinance agency for development of micro units
3. Apex body of handicrafts exporters with over 9000 members
4. Principal financial institution for MSME sector promotion

(A) P-2, Q-4, R-3, S-1
(B) P-1, Q-3, R-4, S-2
(C) P-4, Q-2, R-1, S-3
(D) P-3, Q-1, R-2, S-4

Oct/Nov 2019

62. Consider the following statements regarding the Handloom Weaver MUDRA Scheme:

I Credit guarantee is provided for a period of 3 years.
II The MUDRA Portal has been developed in association with Punjab National Bank.

Which of the above statements is/are correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

May/June 2009

63. Match the Schemes in List-I with their key objectives in List-II.

List I: (Scheme)

P. ASPIRE
Q. PMEGP
R. ISEC
S. MPDA

List II: (Objective)

1. Provide market promotion and development assistance for Khadi
2. Fund innovation, rural industry and entrepreneurship
3. Mobilize funds from banking institutions to bridge fund requirement gaps
4. Credit-linked subsidy program for self-employment generation

(A) P-2, Q-4, R-3, S-1
(B) P-4, Q-2, R-1, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-1, Q-3, R-2, S-4

Oct/Nov 2011

64. Consider the following statements regarding the Sericulture Industry:

I It is highly capital-intensive with a very long gestation period.
II Domesticated silkworms such as Bombyx mori feed on mulberry leaves.
III India is the second-largest producer of silk in the world.

Which of the above statements is/are correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II) and (III)

May/June 2010

65. Identify the correct pair of Government Program and its core objective.

(A) SFURTI - Organize traditional artisans and industries into competitive groups
(B) KRDP - Eradicate traditional artisan clusters
(C) ISEC - Distribute free raw material to sericulture farmers
(D) MPDA - Subsidize urban heavy industries

Oct/Nov 2024

66. Consider the following statements concerning the Comprehensive Handloom Cluster Development Scheme:

I It aims to develop Mega Handloom Clusters in identifiable geographical locations.
II It encourages Public Private Partnership models.
III It mandates the complete automation of all pre-loom operations without human intervention.
IV It attempts to improve storage, technology, and health facilities.

Which of the above statements is/are correct?
(A) (I), (II) and (IV)
(B) (II), (III) and (IV)
(C) (I), (III) and (IV)
(D) (I), (II) and (III)

May/June 2017

67. Arrange the following schemes/institutes in the chronological order of their launch/ establishment:

I. Hire Purchase Scheme
II. Udyog Aadhaar Memorandum
III. NIFT
IV. SFURTI

NODIA

Which of the following is the correct chronological order?
(A) I, III, IV, II
(B) I, IV, III, II
(C) III, I, II, IV
(D) IV, I, III, II

Oct/Nov 2005

68. Consider the following statements regarding the categorization of the Rural Non-Farm Sector (RNFS) into sub-sectors:
I The first sub-sector consists of products or activities run solely with unpaid family labour catering to local markets.
II The third sub-sector consists of paid workers characterized by low earnings and a disintegrated market.
Which of the above statements is/are correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

May/June 2020

69. Consider the following statements regarding Khadi and Village Industries Commission (KVIC) programs:
I Developmental programs of the commission are executed through thousands of registered institutions and societies.
II The Honey Mission generates an income activity while supporting agricultural activities and biodiversity.
III PMEGP mandates a strict collateral security from a third party for all loans.
Which of the above statements is/are correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II) and (III)

Oct/Nov 2015

70. Match the Silk variables in List-I with their associated contexts in List-II.
List I: (Variable)
P. Muga
Q. Mulberry
R. Total raw silk production 2020-21
S. State share in net proceeds of union tax revenue
List II: (Context)
1. 33,739 MT
2. Increased from 32% to 42%
3. Accounts for substantial production
4. Golden yellow glitter unique to India
(A) P-2, Q-3, R-4, S-1
(B) P-3, Q-1, R-2, S-4
(C) P-4, Q-3, R-1, S-2
(D) P-1, Q-4, R-3, S-2

May/June 2013

71. Consider the following statements about NABARD's promotional activities:
I It set up the Gramya Vikas Nidhi for promotional grant support.
II It created an Off-Farm Sector Promotion Fund.
III It developed the NABSKILL digital platform for skilling interventions.
IV It provides direct retail loans to large-scale heavy industries.
Which of the above statements is/are correct?
(A) (I), (II) and (III)
(B) (I), (II) and (IV)
(C) (II), (III) and (IV)
(D) (I), (III) and (IV)

Oct/Nov 2021

72. Match the KVIC related numerical limits/ percentages in List-I with their corresponding elements in List-II.
List I: (Parameter)
P. MDA production share
Q. ISEC concessional interest rate
R. PMEGP margin money lock-in period
S. PMEGP urban general subsidy
List II: (Value)
1. 15%
2. 3 years
3. 20%
4. 4%
(A) P-4, Q-3, R-1, S-2
(B) P-3, Q-4, R-2, S-1
(C) P-2, Q-1, R-4, S-3
(D) P-1, Q-2, R-3, S-4

May/June 2024

73. Consider the following statements regarding the PMEGP margin money rules:
I Margin money can be availed only on the actual availment of capital expenditure.
II The lock-in period for margin money is 5 years.
Which of the above statements is/are correct?

NODIA

1. Andhra Pradesh
2. West Bengal
3. Uttar Pradesh
4. Punjab

(A) P-1, Q-4, R-3, S-2
(B) P-4, Q-1, R-2, S-3
(C) P-2, Q-3, R-1, S-4
(D) P-3, Q-2, R-4, S-1

May/June 2023

87. Consider the following statements regarding the government's objectives for Village and Small Industries:

I Increase the levels of earning of artisans.
II Preserve craftsmanship and heritage of the country.
III Ensure regular supply of goods and services through local skills.
IV Centralize all production in three major metropolitan cities.

Which of the above statements is/are correct?
(A) (I), (II) and (III)
(B) (II), (III) and (IV)
(C) (I), (III) and (IV)
(D) (I), (II) and (IV)

Oct/Nov 2018

88. Match the CSIR institutes in List-I with their locations in List-II.

List I: (Institute)
P. CLRI
Q. CGCRI
R. CFTRI
S. CIMAP

List II: (Location)
1. Lucknow
2. Mysore
3. Kolkata
4. Chennai

(A) P-1, Q-4, R-3, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-2, Q-1, R-4, S-3
(D) P-3, Q-2, R-1, S-4

May/June 2007

89. Consider the following statements regarding the weaknesses of the non-farm sector:

I Power outages are considered a serious obstacle to the development of the non-farm sector.
II Lack of technical skills disincentivizes rural firms from investing in technology.
III To achieve sustained growth, investment in the sector must be significantly increased.

Which of the above statements is/are correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II) and (III)

Oct/Nov 2025

90. Identify the incorrect pair regarding the limits for entrepreneurship development training programs.

(A) Max assistance per trainee per hour in general areas - ₹ 500
(B) Max assistance for infrastructure creation - ₹ 150 lakh
(C) Max assistance for infrastructure creation in NER - ₹ 270 lakh
(D) Max assistance per trainee per hour in NER - ₹ 60

May/June 2012

91. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): Decentralization processes over the last two decades have weakened the rural non-farm sector.

Reason (R): State governments exercise far more independence in decision-making to attract higher FDI levels.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2014

92. A registered Khadi institution has commenced operations and applies for the Market Development Assistance (MDA) scheme. Under the MDA scheme, at what percentage on production is the promotional assistance paid?

(A) 10%
(B) 15%
(C) 20%
(D) 25%

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Oct/Nov 2012

80. Identify the incorrect pair regarding PMEGP subsidy percentages.
(A) General category in urban areas - 15%
(B) General category in rural areas - 25%
(C) Special category in urban areas - 25%
(D) Special category in rural areas - 50%

May/June 2011

81. Consider the following statements about Handloom Education and Welfare:
I IGNOU offers continuing education through distance learning modes.
II NIOS offers education with specialized subjects on design and marketing.
III Handloom Weavers Comprehensive Welfare Scheme provides life, accidental, and disability insurance.
Which of the above statements is/are correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II) and (III)

Oct/Nov 2020

82. Match the Handloom welfare components in List-I with their features in List-II.
List I: (Component)
P. Hathkargha Samvardhan Sahayata
Q. Weaver MUDRA
R. Yarn Supply Scheme
S. Block Level Cluster
List II: (Feature)
1. Freight reimbursed and 2% depot operating charges given
2. 90% cost of loom/accessory borne by GOI
3. Up to ₹ 2.00 crore financial assistance
4. Credit at 6% interest rate
(A) P-2, Q-4, R-1, S-3
(B) P-4, Q-2, R-3, S-1
(C) P-1, Q-3, R-4, S-2
(D) P-3, Q-1, R-2, S-4

May/June 2022

83. Match the Schemes/Initiatives in List-I with the executing/supporting agency in List-II.
List I: (Scheme)
P. NABSKILL
Q. India Handloom Brand
R. PMEGP
S. CAPART
List II: (Agency)
1. Ministry of Textiles
2. NABARD
3. Council under Ministry of Rural Development
4. Monitored by Ministry of MSME and implemented through KVIC
(A) P-3, Q-2, R-1, S-4
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-4, R-3, S-2
(D) P-2, Q-1, R-4, S-3

NODIA

Oct/Nov 2023

84. Consider the following statements regarding the India Handloom Brand:
I Since its launch, nearly 1600 registrations have been issued under about 185 product categories.
II It permits the use of environmentally harmful chemical dyes to ensure color durability.
III It promotes production of niche handloom products with zero defect.
Which of the above statements is/are correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II) and (III)

May/June 2016

85. Consider the following statements about rural employment growth:
I The proportion of households whose principal source of income depends on agriculture increased from 2002 to 2012.
II The biggest increase in non-agricultural employment in rural areas has been in the construction sector.
Which of the above statements is/are correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

Oct/Nov 2009

86. Match the Handloom products in List-I with their respective States in List-II.
List I: (Product)
P. Phulkari
Q. Ikats
R. Daccai
S. Brocade
List II: (State)

(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

Oct/Nov 2008

74. Identify the correct pair of Coir sector statistic/fact and its value.
(A) Workforce in coir sector belonging to women - 40%
(B) Estimated utilization of coconut husk by coir industry - 80%
(C) Coir and coir products export record 2018-19 - 756,153 MT
(D) Global countries importing Indian coir products - 25

May/June 2006

75. Consider the following statements regarding Coir Sector features:
I By weight, coir fibers account for about one-third of the coconut husk.
II Coir ply has been standardized under BIS as a substitute for plywood.
III Coir pith is a spongy material used widely as a soil conditioner.
Which of the above statements is/are correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II) and (III)

Oct/Nov 2017

76. Match the respective Boards/Commissions in List-I with their establishment status/year in List-II.
List I: (Organization)
P. Central Silk Board
Q. Khadi and Village Industries Commission (KVIC)
R. Small Industries Development Organization (SIDO)
S. National Institute for Entrepreneurship and Small Business Development (NIESBUD)
List II: (Establishment/Status)
1. Set up by SIDO in 1983
2. Established in 1954
3. Statutory Body constituted during 1948
4. Came into existence in 1956 (Act)
(A) P-4, Q-3, R-1, S-2
(B) P-2, Q-1, R-4, S-3
(C) P-3, Q-2, R-4, S-1
(D) P-3, Q-4, R-2, S-1

May/June 2008

77. Consider the following statements regarding the Ambedkar Hastshilp Vikas Yojana:
I It is implemented by the Office of the Development Commissioner (Handicrafts).
II It undertakes baseline surveys to develop artisan clusters.
III A core focus is providing training to artisans to develop their skills and welfare measures.
Which of the above statements is/are correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II) and (III)

Oct/Nov 2013

78. Match the Coir related items in List-I with their descriptions in List-II.
List I: (Item)
P. Coir Bhoovastra
Q. Coir Pith
R. Coir Udyami Yojana
S. Mahila Coir Yojana
List II: (Description)
1. Spongy material with high water-retaining capacity
2. Biodegradable geo-textile for soil bioengineering
3. Training program to create skilled woman power
4. Project loan up to ₹ 10 lakhs plus working capital
(A) P-3, Q-1, R-4, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-2, Q-1, R-4, S-3

May/June 2015

79. Consider the following statements regarding Handicrafts Export Promotion Council:
I It is an apex body of handicrafts exporters having more than 9000 members.
II It operates exclusively in the domestic retail market and avoids international trade.
Which of the above statements is/are correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

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May/June 2019

93. Consider the following statements regarding Handloom Sector Schemes:

I Dye house assistance at district level is up to ₹ 50.00 lakh.

II Weaver MUDRA scheme provides credit at 6%.

III Hathkargha Samvardhan Sahayata bears 90% of loom cost by GOI.

IV Block Level Cluster assistance is up to ₹ 2.00 crore.

V Yarn Supply Scheme excludes wool and silk yarns.

Which of the above statements is/are correct?

(A) (I), (II) and (III)
(B) (I), (II), (III) and (IV)
(C) (II), (III), (IV) and (V)
(D) (I), (III), (IV) and (V)

Oct/Nov 2006

94. A metal handicraft society located in Moradabad wants to export its production and benefit from government export incentives. To boost exports, what is the revised incentive rate under the Merchandise Export from India Scheme applicable to their handicraft items?

(A) 3%
(B) 5%
(C) 7%
(D) 10%

May/June 2021

95. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): The traditional handicraft industries face a severe threat to their livelihood potential.

Reason (R): There is intense competition from cheaper machine-made substitutes.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2010

96. Mrs. Nair intends to establish a new coir processing unit in Kerala. She is exploring financial assistance under the Coir Udyami Yojana. Under this scheme, what is the maximum admissible cost of the project (excluding working capital) she can apply for?

(A) ₹ 5 lakhs
(B) ₹ 10 lakhs
(C) ₹ 25 lakhs
(D) ₹ 50 lakhs

May/June 2005

97. Consider the following statements regarding the Facilitative Set Up of Rural Non-Farm Sector (RNFS):

I Small Industries Service Institutes were set up to provide technical assistance.

II The Industrial Policy Statement of December 1977 introduced the DIC concept.

III Rural Industries Projects (RIPs) were merged into the DIC program.

IV The Cottage Industries Board was set up in 1947.

V SIDO was established in 1954.

Which of the above statements is/are correct?

(A) (I), (II), (III) and (V)
(B) (II), (III), (IV) and (V)
(C) (I), (III), (IV) and (V)
(D) (I), (II), (III), (IV) and (V)

NODIA

Oct/Nov 2022

98. Mr. Sharma, an entrepreneur from a designated rural area, plans to set up a new village industry unit. He belongs to the special category of borrowers. He approaches a commercial bank for credit under the Prime Minister's Employment Generation Program. Based on his profile, what percentage of the project cost will be considered as subsidy under PMEGP?

(A) 15%
(B) 25%
(C) 35%
(D) 50%

May/June 2018

99. A group of handloom weavers in a block level cluster desires to upgrade their looms using the Hathkargha Samvardhan Sahayata and the Weaver MUDRA Scheme for working capital. Under the Weaver MUDRA Scheme, what is the

maximum margin money assistance provided to an individual weaver?
(A) ₹ 5,000
(B) ₹ 10,000
(C) ₹ 15,000
(D) ₹ 20,000

Oct/Nov 2016

100. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Forward linkages from RNF activities to agriculture are crucial where traditional agricultural technologies are utilized.
Reason (R): The outputs of the RNF sector serve as essential inputs to the agricultural sector.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2014

101. Mrs. Nair wishes to skill her workforce through the Mahila Coir Yojana. What specific benefit will her women workers receive during their employment through this scheme?
(A) Training programs creating skilled workers for value-added coir products
(B) Subsidized synthetic fibers provided for blending with natural coconut coir
(C) Mandatory relocation of workforce to urban industrial centers for two years
(D) Personal interest-free loans provided for the purchase of agricultural land

Oct/Nov 2007

102. Consider the following statements regarding Sericulture Technical Parameters:
I State Level Purchase Committees determine specifications for rearing equipment.
II High yielding Mulberry varieties should be specific to agro-climatic regions.
III Rearing houses should be away from dwelling houses to avoid contamination.
IV Rearing houses can preferably face north-south direction.
Which of the above statements is/are correct?
(A) (I), (II), (III) and (IV)
(B) (I), (II) and (III)
(C) (II), (III) and (IV)
(D) (I), (III) and (IV)

May/June 2025

103. Once Mr. Sharma's PMEGP loan is sanctioned and availed, what is the required timeframe for the repayment schedule of the loan?
(A) 1 to 2 years
(B) 3 to 7 years
(C) 8 to 10 years
(D) 10 to 15 years

Oct/Nov 2019

104. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Coir Bhoovastra is widely acknowledged for its bioremediation applications.
Reason (R): It is a permeable fabric that is easy to install on uneven and rocky terrains.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2009

105. In the context of the handicraft society's business environment, which of the following is cited as opening up as a major market space for crafts, apart from platforms like Amazon and Flipkart?
(A) Physical retail emporia run exclusively by various state government bodies
(B) Traditional barter trade systems operating within local village bazaar networks
(C) Specialized e-commerce platforms like jaypore.com and itokri
(D) Direct sales channels established with wholesale raw material supplier groups

Oct/Nov 2011

106. Consider the following statements regarding the PMEGP rules:
I Subsidy ranges between 15% and 35%.
II The repayment schedule ranges from 3 to 7

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years.
III Working capital cash credit limit should touch 100% at least once within 3 years.
IV Cash credit utilization should not be less than 75% of the sanctioned limit.
V A two weeks training period is mandatory for beneficiaries.
Which of the above statements is/are correct?
(A) (I), (II), (IV) and (V)
(B) (I), (II), (III) and (IV)
(C) (I), (II), (III), (IV) and (V)
(D) (I), (III), (IV) and (V)

May/June 2010

107. If the weavers' children seek admission to NIOS/ IGNOU courses for career progression, what percentage of the admission fee is envisaged to be reimbursed by the education program?
(A) 25%
(B) 50%
(C) 75%
(D) 100%

Oct/Nov 2024

108. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Lack of technical skills in rural firms leads to high levels of labour productivity in the manufacturing sector.
Reason (R): Little incentive exists for rural firms to invest in technology without a quality manpower base.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2017

109. Out of the MDA received by the Khadi institution, what percentage is specifically reserved for payment among weavers and spinners as an additional incentive through their post/bank office accounts?
(A) 15%
(B) 20%
(C) 45%
(D) 25%

Oct/Nov 2005

110. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): India holds a leading global position in the silk industry.
Reason (R): India is the only country producing all the five known commercial silks.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

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May/June 2020

111. According to the pattern of assistance under the Coir Udyami Yojana, what percentage of Mrs. Nair's project cost will be structured as a bank loan?
(A) 40%
(B) 50%
(C) 55%
(D) 75%

Oct/Nov 2015

112. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The growth of non-farm employment in India is uniquely categorized as Rural Non-Farm Employment.
Reason (R): The shift of labour is predominantly from agriculture to rural locations rather than to urban locations.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2013

113. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): The handloom industry in India has consistently been a net exporter despite declining trends in export values recently.

Reason (R): India is the second largest exporter of handloom products in the world.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2021

114. When purchasing loom accessories under the Hathkargha Samvardhan Sahayata, what percentage of the cost must be borne by the beneficiary weaver?

(A) 5%
(B) 10%
(C) 25%
(D) 50%

May/June 2024

115. Continuing with Mr. Sharma's PMEGP application, after deducting the required margin money and the allocated subsidy, the bank credit component for his project will range between which of the following percentages of the total cost?

(A) 40-50%
(B) 80-90%
(C) 90-100%
(D) 60-75%

Oct/Nov 2008

116. Consider the following statements regarding Handicraft Institutions:

I NIFT was set up in 1986.
II SIDBI is the principal financial institution for the MSME sector.
III Metal Handicrafts Society is located in Moradabad (UP).
IV Indian Institute of Carpet Technology is located in Bhadohi (UP).

Which of the above statements is/are correct?

(A) (I), (II) and (III)
(B) (I), (II), (III) and (IV)
(C) (II), (III) and (IV)
(D) (I), (III) and (IV)

May/June 2006

117. The handicraft society is evaluating the Comprehensive Handicrafts Cluster Development Scheme. Under this scheme, what is the primary approach undertaken to scale up the infrastructural and production chain at the society's location?

(A) Micro unit isolation approach
(B) Urban centralized approach
(C) Import substitution approach
(D) Mega cluster approach

Oct/Nov 2017

118. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): The handloom sector has a substantial environmental impact with high carbon footprint.

Reason (R): The strengths of the sector include minimal use of capital and power.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2008

119. If the Khadi institution utilizes the Interest Subsidy Eligibility Certificate Scheme to mobilize funds from banking institutions for its working capital, at what concessional rate of interest per annum will the funding be provided?

(A) 2%
(B) 4%
(C) 6%
(D) 8%

Oct/Nov 2013

120. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

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Assertion (A): The 'Equipment Leasing Scheme' of NSIC helps small scale units become globally competitive.
Reason (R): It enables these units to acquire modern equipment from anywhere in the world.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2015

121. To operate his chawkie rearing center efficiently, what is the essential land requirement to rear 1.50 to 1.60 lakh DFLs of chawkie worms in the prescribed interval?
(A) Half an acre of chawkie garden
(B) One acre of chawkie garden
(C) Two acres of chawkie garden
(D) Five acres of chawkie garden

Oct/Nov 2012

122. A farmer in Karnataka decides to transition his farm into a sericulture unit. Since he plans to rear Bombyx mori silkworms, which specific plant variety must he cultivate to feed them and obtain the leading silk variety?
(A) Oak trees
(B) Som trees
(C) Mulberry leaves
(D) Castor leaves

May/June 2011

123. To promote rural enterprises in agro-processing and generate local employment through value addition, NABARD facilitates the setting up of which specific entities with the NGO?
(A) Heavy Industrial Zones
(B) Urban Export Councils
(C) Off-Farm Producer Organizations
(D) Primary Agricultural Credit Societies

Oct/Nov 2020

124. When constructing the rearing house for his sericulture unit, which of the following guidelines must the farmer adhere to for effective disease control?
(A) Plaster floors and walls in a separate house for temperature control
(B) Construct the rearing unit as an attached extension to the existing dwelling house
(C) Provide no ventilation facilities to keep the environment completely sealed from wind
(D) Ensure the house faces purely north-south to maximize the intake of direct sunlight

May/June 2022

125. A non-governmental organization working in the rural non-farm sector wishes to utilize digital initiatives for skilling rural youth. Which structured digital platform developed by NABARD should the NGO utilize for complete digitization of skill intervention right from the submission of applications to placement?
(A) Udyog Aadhaar
(B) NABSKILL
(C) MUDRA Portal
(D) COHANDS

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ANSWERS

1. (B) 1954
The Small Industries Development Organization was established as the apex body for the small-scale sector in the year 1954. It operates under the Ministry of Micro, Small and Medium Enterprises to formulate policies and coordinate development programs. Its creation provided a structured institutional framework to support small-scale entrepreneurs across the country through technical assistance and advisory services.

2. (C) Low-investment use of coconut husk to generate local employment and income
The coir industry utilizes coconut husk, an agricultural byproduct, with relatively low capital investment. This makes it highly suitable for states with extensive coconut cultivation. By processing these husks into value-added products, the sector generates significant local employment and income. It remains an eco-friendly industry that supports the livelihoods of many rural workers and artisans in coastal regions.

3. (C) A credit-linked subsidy program for generating sustainable self-employment
The Prime Minister's Employment Generation Program is designed as a credit-linked subsidy initiative. It merges previous schemes to create a unified framework for generating self-employment opportunities. Through financial assistance and government subsidies, it helps traditional artisans and unemployed youth set up micro-enterprises. This sustainable approach focuses on creating long-term employment across both rural and urban Indian landscapes.

4. (C) Online self-certification registration using a simple one-page form with no fees
The Udyog Aadhaar Memorandum simplifies the registration process for micro, small, and medium enterprises. It utilizes an online, self-certification system where entrepreneurs can register using a basic one-page form. This initiative eliminates the need for multiple physical documents and long processing times. Furthermore, the registration is completely free of charge, making it highly accessible for new business owners.

5. (B) A financial system with credit access and institutional support from KVIC and SIDBI
India's rural non-farm sector is supported by a robust institutional network. Organizations like the Khadi and Village Industries Commission and the Small Industries Development Bank of India provide necessary credit and administrative support. This financial system ensures that rural entrepreneurs have access to capital and technical guidance. Such institutional backing is crucial for the sustainable growth of village industries.

6. (B) 15% and 25%
Under the Prime Minister's Employment Generation Program, the subsidy provided depends on the location and category of the borrower. For general category applicants, the government offers a fifteen percent subsidy for projects in urban areas. For projects established in rural areas, the subsidy amount increases to twenty-five percent. This tiered financial assistance encourages industrial development in less developed regions.

7. (B) Non-farm work in secondary and tertiary sectors benefiting rural areas
The rural non-farm sector encompasses various economic activities that occur outside the primary agricultural field. These activities typically involve work in the secondary and tertiary sectors, such as manufacturing, processing, and services. While located in rural geographical areas, these initiatives primarily benefit the local population. They offer vital income alternatives and reduce the community's total dependence on farming activities.

8. (B) To promote the marketing of khadi, village products, or handicrafts where feasible
The Khadi and Village Industries Commission actively collaborates with established marketing agencies to expand its reach. This strategic linkage aims to promote the sale of khadi garments, village industry products, and traditional handicrafts.

NODIA

By utilizing professional marketing channels, the commission ensures that rural products reach a wider consumer base. This process significantly enhances the commercial viability of traditional artisan goods.

9. (B) Guiding entrepreneurs on credit and materials while conducting potential surveys
District Industries Centres were established to provide integrated services to entrepreneurs at the district level. Their primary functions include guiding individuals on obtaining credit and raw materials. Additionally, these centers conduct surveys to identify industrial potential within their respective regions. By acting as a single-point support system, they facilitate the growth and development of small-scale and cottage industries.

10. (D) 1956
The Khadi and Village Industries Commission was established as a statutory body in 1956. This followed the passage of the Khadi and Village Industries Commission Act by the Indian Parliament. The organization is responsible for planning, promoting, and organizing programs for the development of khadi and other village industries. Its creation marked a significant step in supporting rural industrialization.

11. (D) Repositioning Khadi through market links and enhanced remuneration
The Khadi Reform and Development Program focuses on modernizing the Khadi sector to ensure its long-term sustainability. It aims to reposition Khadi by establishing stronger market linkages and improving the remuneration for artisans. By enhancing the earning potential of spinners and weavers, the program seeks to make the craft more attractive and financially viable for the rural workforce.

12. (C) Cultivating food for silkworms and reeling cocoons to unwind the filament
Sericulture involves a series of integrated activities starting from the cultivation of specific food plants for silkworms. The process includes rearing the silkworms to produce cocoons, which are then processed. Reeling the cocoons allows for the unwinding of the silk filament to produce raw silk. This agro-based industry combines agricultural practices with industrial processing to create silk textiles.

13. (A) Slow introduction of innovative methods and technology for production
The handicrafts sector faces stagnation primarily due to the slow adoption of innovative methods and modern production technology. While there is a high market potential for traditional crafts, inefficient production techniques often hinder growth. Integrating better tools and contemporary designs is essential to increase productivity. Without technological advancement, the sector struggles to meet evolving consumer demands and global competition.

14. (C) State governments exercise decision-making independence to attract higher FDI levels
Decentralization over the last two decades has empowered state governments to take independent decisions regarding industrial development. This shift allows states to create favorable environments and policies to attract foreign direct investment. By exercising greater autonomy, regional authorities can tailor their strategies to support local non-farm sectors. This localized approach has contributed to the overall growth of rural industries.

15. (D) Production stood at ₹ 92,214 crore.
During the fiscal year 2020-21, the village industries sector in India demonstrated significant economic activity. Official records indicate that the total production value for village industries reached approximately ninety-two thousand two hundred and fourteen crore rupees. This substantial output reflects the sector's resilience and its crucial role in contributing to the rural economy through widespread local manufacturing and entrepreneurship.

16. (A) Low-earning paid workers within a disintegrated labour supply market
The third major sub-sector of the rural non-farm sector consists primarily of paid workers who face low earning potential. This segment is characterized by a disintegrated labor supply market where employment is often unstable. Unlike productive enterprises, these individuals typically provide labor rather than managing businesses. Understanding this workforce is

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essential for developing policies that improve wage levels and job security.

17. (A) Tightening of the labour market caused by growth in urban construction
Growth in rural wages has been driven significantly by the tightening of the labor market. As the urban construction sector expands, it draws a portion of the rural workforce away from traditional farming. This migration reduces the local labor surplus, leading to higher wages for those remaining in rural areas. Such shifts demonstrate the interconnectedness of urban development and rural income.

18. (C) 5.1%
According to the employment-unemployment survey conducted during 2015-16, the unemployment rate in the rural sector was measured using various approaches. Under the Usual Principal Status approach, the rate stood at five point one percent. This statistic provides a snapshot of the labor market conditions at that time. It highlights the ongoing challenge of providing sufficient employment opportunities for the rural population.

19. (D) Leading commercial seed production through a four-tier silkworm seed network
The Central Silk Board is mandated to ensure the quality and availability of commercial silkworm seeds. It achieves this by leading a specialized four-tier silkworm seed network across the country. This structured system ensures the production and distribution of high-quality seeds to farmers. By managing this network, the board supports the stability and productivity of the entire sericulture industry.

20. (A) They provide inputs where traditional agricultural technologies are utilized
Forward linkages from the rural non-farm sector to agriculture are vital when traditional farming methods are used. These linkages exist because the products generated by non-farm activities often serve as necessary inputs for agricultural operations. For instance, manufacturing farm tools or processing fertilizers supports farming efficiency. Such integration ensures that both sectors grow together, creating a balanced and sustainable rural economy.

21. (B) 4% per annum
The Interest Subsidy Eligibility Certificate Scheme provides a significant financial concession for the khadi and village industries sector. Under this scheme, institutions can access working capital from banking institutions at a concessional interest rate. Specifically, the rate of interest provided to these organizations is capped at four percent per annum. This subsidy helps reduce the cost of borrowing for rural manufacturing.

22. (A) May 1978
The District Industries Centre Program was officially launched in May 1978. It was introduced to provide a comprehensive support system for small, tiny, and cottage industries under one roof at the district level. By centralizing various administrative and technical services, the program aimed to facilitate entrepreneurship. This initiative marked a major shift towards localized industrial planning and development in India.

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23. (D) Non-farm job growth occurs primarily as Rural Non-Farm Employment in rural areas
India's rural transformation is unique because the growth of non-farm employment occurs significantly within rural areas themselves. Rather than a massive, permanent migration to urban centers, many workers find opportunities in local non-farm activities. This phenomenon is categorized specifically as Rural Non-Farm Employment. It allows the workforce to transition away from agriculture without necessarily leaving their rural communities or relocating.

24. (D) Offering consultancy, training, and marketing assistance to the SSI sector
The Small Industries Development Organization provides a wide range of services to support the small-scale industrial sector. These services include professional consultancy, specialized vocational training, and essential marketing assistance. By addressing these critical areas, the organization helps entrepreneurs improve their technical skills and market reach. Such support is fundamental to the growth and competitiveness of micro and small enterprises.

25. (B) Minimal use of capital and power combined with environment-friendly operations
The handloom sector is characterized by its sustainable and eco-friendly production processes. It requires minimal capital investment and uses very little power, as most operations are manual. This low carbon footprint makes it an environmentally responsible industry. Furthermore, its ability to generate significant employment with limited resources remains a major inherent strength in the context of rural development.

26. (D) A biodegradable coir geo-textile used for soil bioengineering and remediation
Coir Bhoovastra is a specialized biodegradable geo-textile made from natural coir fibers. It is primarily used in soil bioengineering projects and environmental remediation. Due to its permeable nature and strength, it helps prevent soil erosion while allowing vegetation to grow. This product highlights the innovative and eco-friendly applications of coir within the modern manufacturing and construction sectors.

27. (A) Creating jobs through skill-upgradation, incubation, and credit support
The ASPIRE scheme was launched to promote innovation, rural industry, and entrepreneurship. It focuses on creating jobs by providing skill-upgradation, incubation facilities, and necessary credit support. By fostering a culture of innovation at the grassroots level, the scheme helps set up technology business incubators. This comprehensive approach ensures that rural entrepreneurs have the tools needed to establish successful and sustainable enterprises.

28. (B) ₹ 5.00 crore
The Scheme of Fund for Regeneration of Traditional Industries provides substantial financial support for cluster development. For projects categorized as a Major Cluster, the maximum financial assistance granted is five crore rupees. This funding is intended to upgrade infrastructure, improve technology, and enhance the marketing capabilities of traditional artisans. Such investment helps ensure the long-term sustainability of traditional crafts.

29. (C) Developing techniques for promoting intensive development of small industries
The Rural Industries Projects program was designed to identify and motivate local entrepreneurs in rural settings. Its core objective involved developing techniques to promote the intensive development of small industries. By focusing on specific rural areas, the program sought to create industrial clusters and provide technical guidance. This initiative served as an early model for localized and integrated rural industrialization.

30. (D) Technical skill gaps offer little incentive for firms to invest in new technology
A lack of quality manpower with relevant technical skills significantly impacts the growth of rural firms. When there is a gap in expertise, businesses find little incentive to invest in advanced machinery or new technology. Without a workforce capable of operating modern equipment, technological upgrades become impractical. This creates a cycle where low skill levels hinder the modernization of the sector.

31. (C) It waived all future loan interest for weavers for life.
The Revival Reform and Restructuring Package for the handloom sector provided critical financial relief to weavers' societies. It involved significant outlays to waive overdue loans and provide fresh credit. However, the package did not include a lifelong waiver of all future loan interest. Such schemes are typically time-bound interventions aimed at clearing past debts and restoring the financial health of cooperatives.

32. (B) Rearing houses should be constructed adjacent to dwelling houses to share ventilation.
For healthy growth in the sericulture sector, specific technical parameters regarding rearing houses must be followed. It is recommended that rearing houses be constructed away from regular dwelling houses to ensure proper hygiene and prevent contamination. Sharing ventilation with human living spaces is discouraged. Maintaining a separate and controlled environment is crucial for protecting the silkworms from diseases and ensuring high-quality silk.

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respectively, rather than eradicate them. These programs provide essential support to ensure that traditional crafts remain economically viable.

66. (A) (I), (II) and (IV)
The Comprehensive Handloom Cluster Development Scheme aims to develop mega clusters in specific geographical locations using Public-Private Partnership models. It focuses on improving storage, technology, and health facilities for weavers to enhance their overall competitiveness. While it supports technological upgrades, it does not mandate the complete automation of all pre-loom operations without human intervention, as handloom inherently relies on manual skill.

67. (A) I, III, IV, II
These initiatives and organizations were established at different times. The Hire Purchase Scheme by NSIC was an early intervention. The National Institute of Fashion Technology followed in 1986. The Scheme of Fund for Regeneration of Traditional Industries was launched later to support clusters. Finally, the Udyog Aadhaar Memorandum was introduced recently to simplify MSME registration. This sequence shows the evolution of support mechanisms.

68. (B) Only (II) is correct
The categorization of the rural non-farm sector includes different types of work and enterprises. The third sub-sector is characterized by low-earning paid workers within a disintegrated labor market. The first sub-sector typically refers to seasonal artisan activities or very small-scale operations. Understanding these distinctions is important for policymakers when designing targeted interventions for different segments of the rural workforce and their economic needs.

69. (A) (I) and (II)
Developmental programs of the Khadi and Village Industries Commission are executed through thousands of registered societies and institutions. Initiatives like the Honey Mission provide income opportunities while supporting agricultural activities and biodiversity through pollination. Under PMEGP, however, there is no mandate for strict collateral security from a third party for all loans. Many micro-loans are covered under credit guarantee schemes to facilitate easier access.

70. (C) P-4, Q-3, R-1, S-2
India's silk industry is diverse, with Muga silk being unique for its golden yellow glitter. Mulberry silk accounts for a substantial portion of the country's total raw silk production. In the 2020-21 period, raw silk production reached thirty-three thousand seven hundred and thirty-nine metric tonnes. Additionally, the state share in union tax revenue net proceeds was recently increased from thirty-two to forty-two percent.

71. (A) (I), (II) and (III)
NABARD undertakes extensive promotional activities through funds like the Gramya Vikas Nidhi and the Off-Farm Sector Promotion Fund. It also developed the NABSKILL digital platform to streamline skilling interventions for rural youth. While NABARD supports rural development, it does not provide direct retail loans to large-scale heavy industries. Its primary focus remains on refinancing and promotional support for agriculture and rural non-farm sectors.

72. (B) P-3, Q-4, R-2, S-1
Key financial parameters define the operations of KVIC schemes. Under MDA, twenty percent is the production share share. The Interest Subsidy Eligibility Certificate scheme provides a concessional interest rate of four percent. PMEGP includes a three-year lock-in period for the margin money provided by the government. For general category borrowers in urban areas, the PMEGP subsidy rate is fixed at fifteen percent.

73. (A) Only (I) is correct
In the Prime Minister's Employment Generation Program, margin money or subsidy can be availed only upon the actual utilization of the capital expenditure portion of the loan. This ensures that the funds are used for their intended industrial purpose. The lock-in period for this margin money is currently three years, not five years. This period allows the project to stabilize before the subsidy is finalized.

74. (C) Coir and coir products export record 2018-19 - 756,153 MT
The coir sector is a significant part of the rural economy, particularly in coastal regions. In

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41. (A) SIDO -> KVIC -> DIC -> NIESBUD
The establishment of industrial support organizations in India followed a specific chronological order. SIDO was established in 1954, followed by the statutory creation of KVIC in 1956. The District Industries Centre program was later launched in 1978. Finally, the National Institute for Entrepreneurship and Small Business Development was set up in 1983. This sequence reflects the evolving institutional framework for small-scale development.

42. (C) Registration is limited strictly to government-owned cooperatives.
The India Handloom Brand was launched in August 2015 to promote high-quality, niche handloom products with zero defects and zero environmental impact. It serves to provide a guarantee of quality to consumers. While it targets authentic handloom producers, registration is not restricted strictly to government-owned cooperatives. Private weavers and other entities producing genuine handloom goods can also apply for the brand registration.

43. (B) Ministry of Heavy Industries and Public Enterprises
Several ministries provide support for the handicrafts sector through various specialized schemes. These include the Ministry of Textiles, the Ministry of Minority Affairs, and the Ministry of Development of North East Region. Additionally, the Ministry of Women and Child Development often supports artisan groups. The Ministry of Heavy Industries and Public Enterprises typically focuses on large-scale manufacturing and does not explicitly manage handicraft schemes.

44. (D) Over-availability of institutional credit
The rural non-farm sector faces several constraints, including technological obsolescence and an inadequate supply of raw materials. Imperfect knowledge of market conditions also hinders the growth of rural entrepreneurs. However, the over-availability of institutional credit is not a constraining factor. In reality, many rural enterprises struggle with insufficient access to credit, which remains a primary challenge for their expansion.

45. (C) Credit-linked subsidies for coir units costing up to ₹ 10 lakhs
The Coir Udyami Yojana was launched to encourage the establishment of new coir processing units. Its primary objective is to provide credit-linked subsidies for projects with a total cost of up to ten lakh rupees. By offering financial assistance, the scheme helps entrepreneurs invest in necessary machinery and infrastructure. This initiative supports the growth of the coir industry and creates rural employment.

46. (B) India is the largest exporter of such products in the world.
India has a strong presence in the global handloom market, exporting products to over one hundred and twenty-five countries. These exports contribute significantly to foreign exchange earnings. While India is a major player, it is not currently the largest exporter of such products in the world. The sector remains vital, with significant export values recorded consistently over the last several years.

47. (B) 6% interest credit with margin assistance up to ₹ 10,000
The Weaver MUDRA Scheme is designed to provide easy and affordable credit to individual handloom weavers. It offers loans at a concessional interest rate of six percent. Additionally, the scheme provides margin money assistance of up to ten thousand rupees to help weavers access bank credit. This financial support helps weavers meet their working capital needs and upgrade their equipment.

48. (B) It is exclusively applicable to domestic silk and excludes cotton and wool.
The Yarn Supply Scheme ensures that weavers have access to essential raw materials at Mill Gate Price. This scheme is comprehensive and applies to various types of yarn, including cotton, silk, and wool. It includes provisions for freight reimbursement and depot operating charges. The statement that it exclusively applies to silk and excludes other fibers like cotton and wool is factually incorrect.

49. (A) National Institute of Fashion Technology
The Council for Scientific and Industrial Research oversees several specialized research institutions.

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83. (D) P-2, Q-1, R-4, S-3
Different agencies manage specific rural development initiatives. NABARD developed the NABSKILL platform for digitizing skill interventions. The Ministry of Textiles oversees the India Handloom Brand. PMEGP is monitored by the Ministry of MSME and implemented through KVIC. CAPART is a council under the Ministry of Rural Development. This organizational structure ensures that various aspects of rural livelihoods are managed by relevant expert agencies.

84. (C) (I) and (III)
Since its launch, the India Handloom Brand has issued nearly sixteen hundred registrations across approximately one hundred and eighty-five product categories. The brand is dedicated to promoting niche handloom products with zero defects and zero negative impact on the environment. It strictly prohibits the use of harmful chemical dyes, ensuring that all branded products are eco-friendly and meet high quality standards for consumers.

85. (B) Only (II) is correct
Data shows that the construction sector has seen the largest increase in non-agricultural employment within rural areas. This sector has absorbed a significant portion of the rural labor force transitioning away from farming. Contrary to the idea of increasing dependence, the proportion of households relying on agriculture as their principal income source actually decreased between 2002 and 2012. This indicates a shift toward non-farm activities.

86. (B) P-4, Q-1, R-2, S-3
India's handloom heritage is reflected in diverse regional products. Phulkari is a traditional embroidery from Punjab, while Ikats are famous in Andhra Pradesh. Daccai weaving is historically associated with West Bengal, and Brocade is a renowned textile art from Uttar Pradesh. These products represent the rich cultural variety and specialized craftsmanship found across different states. Promoting these regional crafts is essential for cultural preservation.

87. (A) (I), (II) and (III)
The government aims to increase the earnings of artisans and preserve the country's rich craftsmanship and heritage. It also focuses on ensuring a regular supply of goods and services through local skills. However, centralizing production in metropolitan cities is not an objective. Instead, the government promotes the dispersal of industries to rural and semi-urban areas to create widespread employment and balanced regional development.

88. (B) P-4, Q-3, R-2, S-1
Various CSIR institutes are located across the country to support specific industries. The Central Leather Research Institute is in Chennai, and the Central Glass and Ceramic Research Institute is in Kolkata. The Central Food Technology Research Institute is based in Mysore, while the Central Institute of Medicinal and Aromatic Plants is in Lucknow. These locations often align with regional industrial needs and the availability of raw materials.

89. (D) (I), (II) and (III)
The rural non-farm sector faces several challenges, including frequent power outages and a lack of technical skills. These skill gaps often prevent firms from investing in modern technology. To overcome these weaknesses and achieve sustained growth, it is essential to significantly increase investment in the sector. Addressing infrastructure, skills, and capital needs is necessary to unlock the full potential of rural non-farm economic activities.

90. (A) Max assistance per trainee per hour in general areas - ₹ 500
Government assistance for entrepreneurship development training is provided at specific rates. The maximum assistance for infrastructure creation can reach one hundred and fifty lakhs, increasing to two hundred and seventy lakhs in the North Eastern Region. In these regions, the training assistance is sixty rupees per trainee per hour. The claim that the rate is five hundred rupees per hour for general areas is incorrect.

91. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that decentralization has weakened the rural non-farm sector is false. In fact, decentralization has generally strengthened the environment for rural industries over the last two decades. The reason provided is true, as state governments now exercise more independence

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Its primary role is to act as a facilitator that provides trade impetus and strategic direction to the sector. By coordinating between different corporations, it helps in the collective promotion of Indian handicrafts. It does not typically engage in direct retail or regulatory activities.

58. (A) The Merchandise Export from India Scheme incentive rate for handicrafts was reduced from 7% to 5%.
The handicrafts sector is a major source of foreign exchange and relies heavily on indigenous owners and local employees. Recently, to boost the sector's growth, the incentive rate under the Merchandise Export from India Scheme was actually increased from five percent to seven percent. Stating that the rate was reduced to five percent is incorrect, as the government has sought to increase support.

59. (C) Decentarlizing economic activities to halt urban migration
Fostering rural non-farm employment is a strategic priority aimed at decentralizing economic activities. By creating jobs in rural areas, the government seeks to reduce the pressure on urban infrastructure and halt distressed urban migration. This approach ensures that rural residents can access diverse income opportunities without leaving their homes. Promoting non-farm work helps in achieving more balanced and sustainable regional development.

60. (B) Highly centralized state-level decision making processes
The rural non-farm sector faces several weaknesses, including a lack of infrastructure and the absence of strong forward and backward linkages. A lack of quality manpower also hinders growth and technological adoption. While centralization can be a general administrative issue, the sector's primary weaknesses are often structural and economic. Decoupling from farming requires addressing these fundamental gaps in credit, skills, and market access.

61. (C) P-4, Q-2, R-1, S-3
Different institutional bodies serve specific roles in the small-scale sector. SIDBI is the principal financial institution for promoting MSMEs. MUDRA acts as a refinance agency for developing micro-units. COHANDS is an apex body comprising twenty-nine state and central handicrafts corporations. Finally, the EPCH is an apex body of handicrafts exporters with a large membership. This institutional framework provides multi-level support.

62. (C) Both (I) and (II) are correct
The Handloom Weaver MUDRA Scheme offers structured financial support to artisans. It provides a credit guarantee for a period of three years, ensuring that banks are protected when lending to weavers. Additionally, a dedicated MUDRA Portal was developed in collaboration with Punjab National Bank to streamline the application process. Both of these features are integral to the effective implementation of the scheme.

63. (A) P-2, Q-4, R-3, S-1
Various government schemes target different aspects of rural industrialization. ASPIRE funds innovation and entrepreneurship, while PMEGP is a credit-linked subsidy program for self-employment. The Interest Subsidy Eligibility Certificate scheme helps mobilize funds from banks to bridge financial requirements. Market Promotion and Development Assistance provides support for the marketing of Khadi. These initiatives collectively address finance, innovation, and market access.

64. (B) (II) and (III)
Sericulture is an agro-based industry where domesticated silkworms like Bombyx mori are reared on mulberry leaves. India holds a significant position as the second-largest producer of silk globally. Contrary to being highly capital-intensive with long gestations, sericulture is known for having a relatively short gestation period and being labor-intensive. These characteristics make it highly suitable for small-scale rural farmers.

65. (A) SFURTI - Organize traditional artisans and industries into competitive groups
The Scheme of Fund for Regeneration of Traditional Industries is correctly paired with its objective of organizing artisans into competitive clusters. This program focuses on enhancing the productivity and marketability of traditional sectors. Other schemes like KRDP and MPDA are designed to reform and promote industries,

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33. (B) Mandatory export of 100% of production.
The Block Level Cluster under the National Handloom Development Program provides financial assistance for infrastructure and skill development. While it facilitates production and marketing, there is no mandate requiring the hundred percent export of all products. Instead, the focus is on creating common facility centers and improving local production. The program aims to make weavers more competitive in both domestic and international markets.

34. (D) Surveying and developing clusters into community enterprises
The Ambedkar Hastshilp Vikas Yojana is a prominent scheme focused on the holistic development of handicrafts. Its primary feature involves surveying artisan groups and developing these clusters into community-based enterprises. By organizing artisans into self-help groups or cooperatives, the scheme empowers them to handle production and marketing collectively. This community-centric approach helps preserve traditional skills while improving economic outcomes.

35. (A) Ensuring complete mechanization to replace local manpower
The government's objectives for promoting village and small industries focus on sustaining self-employment and preserving traditional craftsmanship. A key goal is the widespread dispersal of industries to prevent over-concentration in urban areas. However, ensuring complete mechanization to replace local manpower is not an objective. On the contrary, these sectors are valued for being labor-intensive and providing vital employment to rural communities.

36. (A) Providing leasing, raw material, and marketing for SSI units
The National Small Industries Corporation plays a significant role in supporting small-scale industries. Its most prominent functions include providing equipment leasing, facilitating the procurement of raw materials, and offering marketing assistance. By helping small units access necessary inputs and markets, the corporation enhances their operational capacity. This support is vital for small businesses to compete effectively in the modern industrial landscape.

37. (A) Gujarat leads the country in the share of handloom workers.
According to the Handloom Census, the vast majority of handloom households are located in rural areas. The North Eastern Region of India is particularly significant, accounting for over sixty-five percent of the total operational handlooms. However, Gujarat does not lead the country in the share of handloom workers; other states, particularly in the Northeast, have a much higher concentration of artisans.

38. (D) File covers
The handloom sector produces a diverse range of items categorized by their use. Wearables include traditional garments such as Gamcha, Mekhla-chaddar, and Sarong, which are integral to various regional cultures. File covers, while made of handloom fabric, are categorized as made-ups or accessories rather than wearable clothing. This distinction helps in organizing production and marketing efforts within the textile industry.

39. (D) Reserving raw materials and implements to supply producers
One of the most crucial functions of the Khadi and Village Industries Commission involves the management of resources. The commission is responsible for reserving essential raw materials and manufacturing implements to ensure a steady supply to producers. By maintaining these reserves, KVIC protects village artisans from market fluctuations and shortages. This support ensures that production activities can continue smoothly in rural areas.

40. (D) Refinance schemes for cooperative banks are currently administered by SIDBI exclusively.
Institutional finance for the handloom sector has a long history, with the RBI formulating refinance schemes as early as 1956. Over time, these benefits were extended to various types of weavers' societies. NABARD now plays a central role by laying down prudential guidelines for assessing working capital requirements. It is factually incorrect to state that SIDBI exclusively administers these refinance schemes for cooperative banks.

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the 2018-19 period, the export of coir and coir products reached a record volume of seven hundred and fifty-six thousand one hundred and fifty-three metric tonnes. This highlights the strong global demand for Indian coir. The sector also employs a high percentage of women, often exceeding eighty percent.

75. (D) (I), (II) and (III)
Coir fibers represent approximately one-third of the weight of a coconut husk. The industry has developed various value-added products, such as coir ply, which serves as a standardized substitute for plywood. Additionally, coir pith is a valuable byproduct used extensively as a soil conditioner due to its high water-retaining capacity. All these features demonstrate the versatility and economic significance of the coir sector.

76. (D) P-3, Q-4, R-2, S-1
The institutional framework for rural and small industries was established over several decades. The Central Silk Board was constituted as a statutory body in 1948. KVIC was formed through an Act in 1956. SIDO was established in 1954 to guide small-scale development. Finally, NIESBUD was set up by SIDO in 1983 to focus on entrepreneurship training. These dates mark key milestones.

77. (D) (I), (II) and (III)
The Ambedkar Hastshilp Vikas Yojana is implemented by the Office of the Development Commissioner for Handicrafts. It begins by undertaking baseline surveys to identify and develop artisan clusters. A core focus of the scheme is providing vocational training to enhance skills and implementing welfare measures for the artisans. This comprehensive approach ensures that traditional crafts are preserved while improving the livelihoods of craftspersons.

78. (D) P-2, Q-1, R-4, S-3
The coir sector includes various products and schemes. Coir Bhoovastra is a biodegradable geo-textile for soil engineering. Coir pith is a spongy byproduct with high water-retaining properties. The Coir Udyami Yojana provides loans up to ten lakhs for setting up units. Mahila Coir Yojana is a specialized training program aimed at creating a skilled female workforce. These initiatives support the growth of the industry.

79. (A) Only (I) is correct
The Handicrafts Export Promotion Council is the apex body for handicrafts exporters in India, with a membership exceeding nine thousand. It plays a critical role in promoting Indian crafts in international markets. It is incorrect to say that it avoids international trade, as its primary mandate is to boost exports. The council facilitates participation in international trade fairs and provides market intelligence to exporters.

80. (D) Special category in rural areas - 50%
Under the Prime Minister's Employment Generation Program, subsidy rates are clearly defined. General category borrowers receive fifteen percent in urban areas and twenty-five percent in rural areas. Special category borrowers, including women and minorities, receive twenty-five percent in urban areas and thirty-five percent in rural areas. The claim that special category borrowers in rural areas receive a fifty percent subsidy is factually incorrect.

81. (D) (I), (II) and (III)
Education and welfare for the handloom sector are addressed through multiple institutions. IGNOU and NIOS provide continuing education and specialized courses for weavers and their children. Furthermore, the Handloom Weavers Comprehensive Welfare Scheme ensures that artisans have access to life, accidental, and disability insurance. These measures aim to provide social security and enhance the skills of the weaving community across the country.

82. (A) P-2, Q-4, R-1, S-3
Various handloom schemes provide targeted assistance. Hathkargha Samvardhan Sahayata bears ninety percent of the cost for looms and accessories. The Weaver MUDRA Scheme offers credit at a concessional interest rate of six percent. The Yarn Supply Scheme provides yarn at mill gate prices with freight reimbursement. Finally, Block Level Clusters can receive financial assistance of up to two crore rupees for development activities.

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These include the Central Leather Research Institute, the Central Glass and Ceramic Research Institute, and the Central Food Technology Research Institute. The National Institute of Fashion Technology, however, is an autonomous body under the Ministry of Textiles. It is not an institution operating under the administrative control of the CSIR.

50. (C) Establishing large-scale automated sugar refineries
The Honey Mission aims to improve rural livelihoods by promoting beekeeping and honey production. It focuses on the medicinal and food value of honey while supporting agricultural activities through pollination. Furthermore, it contributes to forest conservation efforts by maintaining biodiversity. Establishing large-scale automated sugar refineries is not a part of this mission, as its focus remains on natural honey and small-scale producers.

51. (D) Grant support for off-farm sector promotional activities
NABARD established the Gramya Vikas Nidhi specifically to support promotional activities in the off-farm sector. This fund provides grant assistance for various initiatives aimed at developing rural industries and handicrafts. By funding these promotional projects, NABARD helps enhance the visibility and viability of rural non-farm enterprises. This grant support is essential for the growth of diverse economic activities in rural communities.

52. (D) Only a single state-owned portal is permitted to sell handloom products online.
The government has established a policy framework to promote the e-marketing of handloom products. Under this framework, multiple e-commerce entities with a good track record are engaged to sell authentic handloom goods online. Currently, several private and state-owned platforms participate in this initiative. The claim that only a single state-owned portal is permitted to sell these products online is factually incorrect.

53. (C) Central Silk Board
During the First Plan, the original Cottage Industries Board was restructured into several independent boards. These included the All-India Handloom Board, the All-India Handicraft Board, and the Khadi and Village Industries Board. The Central Silk Board, however, was established earlier as a statutory body in 1948. Therefore, it was not one of the boards created specifically during that particular restructuring period.

54. (C) Grouping artisans to ensure competitive sustainability
The primary aim of the Scheme of Fund for Regeneration of Traditional Industries is to organize traditional artisans into clusters. By grouping these individuals, the scheme aims to make traditional industries more competitive and sustainable in the long term. This collective approach facilitates better access to technology, training, and marketing resources. It empowers artisans to work together to enhance their productivity and income.

55. (A) Eliminate all professional designers to maintain strict traditional orthodoxy
The Comprehensive Handloom Cluster Development Scheme aims to empower weavers and enhance their competitiveness through collectivization. It encourages the involvement of professional marketing chains and marketers to reach wider audiences. The scheme does not seek to eliminate professional designers; instead, it often involves them to modernize designs while preserving traditional skills. This integration helps in making handloom products more appealing to modern consumers.

56. (A) The remaining 10% cost is borne directly by the State Government.
Under the Hathkargha Samvardhan Sahayata, the Government of India provides significant financial support for purchasing looms and accessories. Specifically, the central government bears ninety percent of the cost. The remaining ten percent of the cost is borne by the individual beneficiary weaver, not the state government. This ensures that the weaver has a personal stake in the equipment they receive.

57. (A) Apex body facilitator providing trade impetus and direction
The Council of Handicrafts Development Corporations serves as an apex body representing various state and central handicrafts corporations.

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in decision-making and are actively competing to attract higher levels of foreign direct investment to support their regional economic growth.

92. (C) 20%
Under the Market Development Assistance scheme for Khadi, promotional assistance is provided to registered institutions based on their production value. The assistance is paid at a rate of twenty percent on the total value of production. This financial support is intended to help Khadi institutions with marketing, infrastructure, and artisan incentives. It ensures that traditional Khadi production remains commercially viable and can compete in the market.

93. (B) (I), (II), (III) and (IV)
Handloom sector schemes provide diverse support. Financial assistance for a dye house at the district level is up to fifty lakhs, and the Weaver MUDRA scheme provides credit at six percent. Hathkargha Samvardhan Sahayata involves the central government bearing ninety percent of the loom cost. Block Level Clusters can receive up to two crore rupees. However, the Yarn Supply Scheme includes multiple fibers, not excluding wool and silk.

94. (C) 7%
To boost the export of handicrafts, the government provides incentives under the Merchandise Export from India Scheme. For metal handicrafts and many other artisan products, the incentive rate was recently increased to seven percent. This higher rate helps Indian exporters compete more effectively in the international market. Such financial support is crucial for increasing the global presence of traditional Indian crafts and earning valuable foreign exchange.

95. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Traditional handicraft industries face a severe threat to their economic survival. This is largely because they must compete with machine-made substitutes that are often much cheaper to produce. While handicrafts possess unique cultural value, the lower price of industrial goods often attracts consumers away from traditional products. Both the assertion and the reason are true, and the reason directly explains the economic challenge faced by artisans.

96. (B) ₹ 10 lakhs
The Coir Udyami Yojana provides financial support for setting up new coir processing units. Under the guidelines of this scheme, the maximum admissible cost for a single project is fixed at ten lakh rupees. This amount excludes the requirements for working capital. By capping the project cost at this level, the scheme ensures that it targets micro and small-scale entrepreneurs in the coir-producing regions.

97. (D) (I), (II), (III), (IV) and (V)
The institutional framework for the rural non-farm sector evolved through several key milestones. Small Industries Service Institutes were created to provide technical help, and the DIC concept was introduced in 1977. Rural Industries Projects were eventually merged into the DIC program. Furthermore, the Cottage Industries Board was set up in 1947, and SIDO followed in 1954. All these statements correctly reflect the historical development of support structures.

98. (C) 35%
In the Prime Minister's Employment Generation Program, the subsidy percentage varies based on the category of the borrower and the project location. Special category borrowers, which include those from designated rural areas, are eligible for a higher level of assistance. Specifically, they receive a subsidy of thirty-five percent of the total project cost. This significant financial support is designed to encourage entrepreneurship among disadvantaged groups in rural settings.

99. (B) ₹ 10,000
The Weaver MUDRA Scheme includes a provision for margin money assistance to help individual weavers access bank credit. Under this scheme, an individual weaver is eligible for a maximum margin money assistance of ten thousand rupees. This amount is provided as a grant to meet the requirement for a down payment or margin when applying for a loan. This facility makes bank financing more accessible for traditional artisans.

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100. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Forward linkages from the rural non-farm sector to agriculture are extremely important, especially when traditional farming technologies are in use. These linkages exist because the outputs of non-farm activities, such as manufactured tools or processed materials, serve as essential inputs for agricultural productivity. Both statements are factually correct, and the reason provided explains why these economic connections are so crucial for a functioning rural economy.

101. (A) Training programs creating skilled workers for value-added coir products
The Mahila Coir Yojana is a specialized training-cum-employment scheme designed specifically for women in the coir industry. Its primary benefit is providing vocational training programs that create a skilled female workforce capable of producing value-added coir products. By enhancing their technical skills, the scheme empowers women to earn higher incomes. This initiative focuses on human resource development within the rural coir-producing communities to improve livelihood outcomes.

102. (A) (I), (II), (III) and (IV)
Successful sericulture requires strict adherence to technical parameters. Purchase committees determine equipment specifications, and mulberry varieties must be chosen based on specific agro-climatic conditions. Rearing houses should be constructed away from dwelling houses to maintain hygiene and prevent the spread of diseases. Additionally, facing these houses in a north-south direction helps in regulating temperature and light. All these guidelines collectively ensure the health and productivity of silkworms.

103. (B) 3 to 7 years
Once a loan under the Prime Minister's Employment Generation Program is sanctioned and the micro-enterprise is established, a clear repayment schedule is set. The guidelines for the program specify that the repayment period for the loan should range between three and seven years. This timeframe is designed to give the new business sufficient time to become profitable while ensuring the timely recovery of funds for the banking institutions.

104. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
Coir Bhoovastra is indeed widely recognized for its effectiveness in bioremediation and environmental projects. It is also true that this permeable fabric is easy to install even on rocky and uneven terrains. While both of these statements are true and reflect the product's useful qualities, the ease of installation on rocky terrain is not the primary reason why it is used for bioremediation. These are independent positive attributes.

105. (C) Specialized e-commerce platforms like jaypore.com and itokri
The market for traditional handicrafts has expanded significantly with the rise of digital commerce. In addition to general platforms like Amazon and Flipkart, specialized e-commerce websites like jaypore.com and itokri have emerged as major market spaces. These platforms focus specifically on authentic, handcrafted products, connecting rural artisans directly with urban and international consumers. This digital shift has provided artisans with a wider reach and better pricing power.

106. (B) (I), (II), (III) and (IV)
PMEGP rules include specific subsidy ranges and repayment schedules between three and seven years. To ensure effective utilization, the working capital cash credit limit should reach one hundred percent at least once within three years. Additionally, cash credit utilization must not fall below seventy-five percent of the sanctioned limit. While training is mandatory, the specific duration for all beneficiaries is not always fixed at exactly two weeks across all categories.

107. (C) 75%
To support the educational advancement of weavers and their children, the government provides financial assistance for courses through NIOS and IGNOU. The program envisages a reimbursement of seventy-five percent of the total admission fee for these courses. This support is particularly focused on empowering individuals from marginalized communities,

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including those from SC, ST, and BPL categories. Such initiatives help bridge the educational gap within the traditional weaving community.

108. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that a lack of technical skills leads to high labor productivity is false; in fact, skill gaps generally lead to lower productivity. However, the reason provided is true, as rural firms have little incentive to invest in advanced technology if they lack a quality manpower base capable of utilizing it. Without the right skills, technological investment does not yield the expected economic returns, hindering the sector's growth.

109. (D) 25%
The Market Development Assistance provided to Khadi institutions is distributed according to specific guidelines. A significant portion of this assistance, exactly twenty-five percent, is reserved for direct payment to the artisans, including weavers and spinners. This payment serves as an additional incentive and is credited directly to their post office or bank accounts. This ensures that the benefits of the promotional scheme reach the grassroots workers directly.

110. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
India holds a leading position in the global silk industry, being the world's second-largest producer. This prominence is largely because India is the only country in the world that produces all five commercial varieties of silk: Mulberry, Tropical Tasar, Oak Tasar, Eri, and Muga. This unique diversity gives India a competitive edge in the global market. Both statements are true, and the reason directly explains India's unique leadership.

111. (C) 55%
Under the Coir Udyami Yojana, the project cost is funded through a combination of government subsidy, beneficiary contribution, and bank credit. The pattern of assistance specifies that the government provides a forty percent subsidy, and the beneficiary contributes five percent. The remaining fifty-five percent of the total project cost is provided as a term loan by the participating banking institution. This structure ensures that the project is sufficiently funded for startup.

112. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The growth of non-farm employment in India is uniquely characterized as Rural Non-Farm Employment. This is because the shift of labor away from agriculture is occurring predominantly within rural geographical locations rather than through large-scale migration to urban centers. This localized transition allows the workforce to find new income sources without leaving their communities. Both statements are true, and the reason accurately explains the nature of this unique transformation.

113. (C) Assertion (A) is true, but Reason (R) is false.
The handloom industry in India has consistently remained a net exporter, providing a significant contribution to the country's foreign exchange earnings. This assertion is true even though export values have faced fluctuations recently. However, the reason provided is false because India is actually the largest producer and a major exporter, but it is not ranked as the second largest exporter of these products globally in all categories.

114. (B) 10%
Under the Hathkargha Samvardhan Sahayata, the government provides significant financial assistance for the procurement of looms and essential accessories. The central government bears ninety percent of the cost of these items. The remaining ten percent of the cost must be borne by the individual beneficiary weaver. This small contribution ensures the artisan's personal commitment and ownership of the equipment provided through the development program.

115. (D) 60-75%
In the Prime Minister's Employment Generation Program, the total project cost is covered by the beneficiary's own contribution, the government subsidy, and bank credit. After accounting for the required five to ten percent own contribution and the fifteen to thirty-five percent subsidy, the bank provides the remainder as a loan. This bank credit component typically ranges between sixty and seventy-five percent of the total project cost to ensure the business is fully funded.

NODIA

116. (B) (I), (II), (III) and (IV)
Several specialized institutions support the handicraft and small enterprise sectors. NIFT was established in 1986 to provide fashion and design education. SIDBI serves as the principal financial institution for MSMEs. Regional specialized bodies also exist, such as the Metal Handicrafts Society in Moradabad and the Indian Institute of Carpet Technology in Bhadohi. All these organizations play vital roles in training, financing, and technical support for their respective artisan communities.

117. (D) Mega cluster approach
The Comprehensive Handicrafts Cluster Development Scheme is designed to scale up infrastructure and the production chain in areas with a high concentration of artisans. It utilizes a mega cluster approach to develop identifiable geographical locations into major centers of craft excellence. This strategy allows for significant investment in common facility centers, technology, and marketing infrastructure. By focusing on large clusters, the scheme aims to achieve better economies of scale and competitiveness.

118. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that the handloom sector has a high carbon footprint is false; it is actually one of the most environmentally friendly industries. The reason provided is true, as the sector's primary strengths include its minimal use of capital and very low power consumption, as most looms are operated manually. This eco-friendly nature is a key advantage of the handloom sector in the context of global sustainable development and green manufacturing.

119. (B) 4%
The Interest Subsidy Eligibility Certificate Scheme is a major funding mechanism for Khadi and village industry institutions. Under this scheme, these organizations can mobilize working capital loans from banking institutions. The government provides a subsidy so that the effective interest rate paid by the institution is only four percent per annum. This concessional rate significantly reduces the financial burden on rural manufacturing units, allowing them to manage their operations more effectively.

120. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The Equipment Leasing Scheme operated by the National Small Industries Corporation is designed to help small-scale units improve their global competitiveness. It achieves this by enabling these units to acquire modern equipment and advanced technology from both domestic and international markets. Both statements are true, and the reason directly explains how the leasing scheme helps small businesses modernize and enhance their production capabilities to compete on a global scale.

121. (C) Two acres of chawkie garden
For a chawkie rearing center to operate efficiently and maintain healthy silkworms, specific land requirements must be met. To rear approximately one point five to one point six lakh Disease Free Layings of chawkie worms, a farmer must have two acres of dedicated chawkie garden. This ensures a sufficient and continuous supply of high-quality leaves to feed the young silkworms during their critical early stages of development.

122. (C) Mulberry leaves
A farmer planning to rear Bombyx mori silkworms must cultivate mulberry plants. This specific variety of silkworm feeds exclusively on mulberry leaves to produce the leading commercial variety of raw silk. The quality of the silk produced is directly dependent on the quality and quantity of the mulberry foliage provided. This agro-based activity forms the essential first step in the silk production chain for most Indian sericulture units.

123. (C) Off-Farm Producer Organizations
To promote rural enterprises and generate local employment through value addition, NABARD facilitates the formation of Off-Farm Producer Organizations. These entities bring together rural artisans and entrepreneurs into a collective group to improve their bargaining power and access to markets. By organizing producers into these structured groups, the scheme helps in professionalizing the off-farm sector and ensures that small-scale manufacturers can achieve better economic sustainability and growth.

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124. (A) Plaster floors and walls in a separate house for temperature control

When constructing a rearing house for sericulture, strict hygiene and environmental controls are necessary. The guidelines specify that the rearing house should be a separate building with plastered floors and walls. This construction style facilitates easy cleaning and disinfection, which is critical for disease control. Additionally, it helps in maintaining the stable temperature and humidity levels required for the healthy growth of silkworms and the production of high-quality cocoons.

125. (B) NABSKILL

NABARD has introduced a specialized digital platform called NABSKILL to enhance the efficiency of skilling programs in rural areas. This initiative enables the complete digitization of skill development interventions, starting from the application process to final placement tracking. By using this tool, non-governmental organizations can ensure transparency and better monitoring of their vocational training activities. It streamlines the entire youth empowerment workflow, making it easier to manage and scale skilling projects.

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I Business finance refers exclusively to the monetary support required for purchasing fixed assets.
II Additional funds are desirable for modernization and upgradation of the business unit at periodic intervals.
Which of the above statement(s) is/are correct?
(A) (I) only
(B) (II) only
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2006

26. Which of the following statements incorrectly represents the criteria for a medium enterprise under the revised definition effective from July 1, 2020?
(A) Investment in Plant and Machinery or Equipment does not exceed ₹ 50 crores limit.
(B) Annual turnover does not exceed a maximum of ₹ 250 crores for medium entities.
(C) The revision applies uniformly to both manufacturing and service-based enterprises.
(D) Limit of ₹ 20 crore for investment and ₹ 100 crore for turnover.

Oct/Nov 2008

27. A manufacturing unit has a Profit After Tax (PAT) of ₹ 20 lakhs, Depreciation (D) of ₹ 5 lakhs, Interest on long-term loans (I) of ₹ 10 lakhs, and a principal instalment (L) of ₹ 10 lakhs. Calculate the Debt Service Coverage Ratio (DSCR).
(A) 1.50
(B) 1.75
(C) 2.00
(D) 2.50

May/June 2021

28. According to the highlights of the Sixth Economic Census (2013), how many establishments were found to be in operation in the country?
(A) 58.50 million
(B) 41.25 million
(C) 45.36 million
(D) 77.60 million

Oct/Nov 2021

29. To verify the standing and credentials of the proprietor/partners of an enterprise, apart from identifying their address proof, for how many months should the banks examine their bank statements?
(A) Last 3 months
(B) Last 6 months
(C) Last 12 months
(D) Last 24 months

NODIA

May/June 2015

30. Identify the incorrect pair regarding the economic activities and their sectoral contributions in the Sixth Economic Census.
(A) Livestock : 86.74% of agricultural sector
(B) Retail Trade : 35.41% of nonagricultural sector
(C) Manufacturing : 22.77% of nonagricultural sector
(D) Own Account Establishments : 28.26% of total establishments

Oct/Nov 2015

31. Probabilistic analysis assigns probabilities for each value to each risk variable to find the probability of a negative outcome. This represents a significant improvement over deterministic methods and is fundamentally a part of:
(A) Environmental Impact Assessment
(B) Economic Appraisal
(C) Risk Analysis
(D) Distributive Appraisal

May/June 2020

32. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below:
Assertion (A): Loans extended under the MUDRA scheme do not require the borrowers to provide any collateral or security.
Reason (R): MUDRA is an initiative aimed at creating an inclusive value-based entrepreneurial culture to bring the target audience into the formal financial fold.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation

enterprise may have trouble paying its operating expenses.
II Net profit margin is the percentage of revenue remaining after deducting all operating expenses, interest, and taxes.
III Sales per employee is a useful metric to gauge productivity, particularly for service-based businesses.
IV A high D/E ratio is often associated with low risk and indicates conservative financing.
V A high net profit margin indicates that the enterprise is pricing its products correctly and exercising good cost control.

Which of the above statement(s) is/are correct?
(A) (I), (II), (III), and (V)
(B) (I), (II), (IV), and (V)
(C) (II), (III), (IV), and (V)
(D) (I), (III), (IV), and (V)

Oct/Nov 2022

7. The initial definition of a small-scale unit was based on original investment in plant and machinery. What was the maximum investment limit for a small-scale unit initially?
(A) Not exceeding ₹ 50 lakhs
(B) Not exceeding ₹ 1 crore
(C) Not exceeding ₹ 5 crores
(D) Not exceeding ₹ 10 crores

May/June 2007

8. The MSME sector is characterized as highly heterogeneous. Which of the following concepts directly illustrates this heterogeneity?
(A) MSMEs require massive capital investment per unit of output compared to larger manufacturing units.
(B) While some are high-growth and innovative, over 94% are unregistered in the informal sector.
(C) MSMEs rely exclusively on imported raw materials and highly sophisticated foreign technology tools.
(D) The sector's sole strategic focus is on fulfilling the export demands of foreign multinational firms.

Oct/Nov 2024

9. Which of the following statements correctly identifies an aspect bankers must ascertain regarding the products and services offered by an enterprise?
(A) The bank should ensure the enterprise sets product prices irrespective of competitor pricing.
(B) The bank must evaluate whether the products or services offered match with market requirements.
(C) The bank should discourage any innovative offering to prevent expenditure on new product development.
(D) The bank is solely concerned with past sales and not the achievability of the future sales forecast.

May/June 2010

10. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below:
Assertion (A): The MSMED Act changed the word 'Industry' to 'Enterprise'.
Reason (R): This change was made to give due recognition to the service sector and bring micro enterprises under purview.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2011

11. An MSME project entails an initial investment. Over its project life, it will generate a stream of cash flows. To assess financial viability, the bank discounts these cash flows. If the discounted sum of future cash flows is exactly equal to the initial investment cost, what is the Net Present Value (NPV)?
(A) Positive
(B) Negative
(C) Zero
(D) Infinity

May/June 2019

12. The Government's rationale for revising the definition of MSMEs in 2020 was two-fold. Which of the following best captures the primary economic intent behind the revision?
(A) To impose stricter taxation protocols on large corporate enterprises currently categorized as MSMEs.

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(B) To limit the total number of MSMEs eligible for government subsidies during the peak pandemic years.
(C) To address long-pending demands and mitigate fears of losing concessions that discouraged growth.
(D) To shift the entire basis of MSME classification to the total number of full-time employees hired.

Oct/Nov 2019

13. MSMEs require financial support for various stages of the business life cycle. What is the most appropriate primary purpose for acquiring working capital?
(A) For meeting daily expenses such as paying wages and purchasing necessary raw materials.
(B) For starting a new business and acquiring fixed assets like land, buildings, and vehicles.
(C) For investing in high-yield, speculative venture capital funds for long-term equity growth.
(D) For acquiring specialized, heavy-duty machinery required for annual technology upgradation.

May/June 2024

14. Which of the following statements correctly identifies the geographical distribution of establishments as per the Sixth Economic Census?
(A) 40.52% of establishments were in rural areas and 59.48% in urban areas.
(B) 71.74% of establishments were in rural areas and 28.26% in urban areas.
(C) 59.48% of establishments were in rural areas and 40.52% in urban areas.
(D) 89.39% of establishments were in rural areas and 10.61% in urban areas.

Oct/Nov 2016

15. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below:
Assertion (A): The Quick Ratio is considered a stricter measure of liquidity than the Current Ratio.
Reason (R): The Quick Ratio excludes inventory, indicating whether the unit has enough cash, liquid investments, and accounts receivable to cover its current liabilities.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2013

16. The Micro, Small and Medium Enterprises Development (MSMED) Act was passed by the Parliament on June 16, 2006. On which date did the Act become effective?
(A) October 2, 2006
(B) July 1, 2006
(C) August 15, 2006
(D) January 1, 2007

NODIA

Oct/Nov 2020

17. Liquidity ratios assess the borrower's strength to meet current commitments. Which formula accurately defines the Quick Ratio?
(A) (Cash + Marketable Securities + Net Accounts Receivable) ÷ Current Liabilities
(B) (Current Assets) ÷ Current Liabilities
(C) (Cash Flow) ÷ Total Debt
(D) (Cost of Goods Sold) ÷ Average Inventory

May/June 2022

18. Consider the following statements regarding the objectives of the proposed 2015 amendments to the MSMED Act 2006:
I Enhance the existing limit for investment in plant and machinery considering changes in the price index.
II Include micro, tiny, or village enterprises as part of medium enterprises apart from small enterprises.
III Empower the Central Government to revise the existing limit for investment by notification considering inflation.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III)
(B) (I) and (II) only
(C) (I) and (III) only
(D) (II) and (III) only

Oct/Nov 2023

19. When an enterprise is overly reliant on a small group of customers, its revenue is highly sensitive. To have sustained growth, the enterprise must follow specific strategies. Which concept mitigates this customer concentration risk?
(A) Consistently overleveraging the corporate debt-equity ratio.
(B) Downsizing existing production and warehousing capacity.
(C) Maximizing the volume of non-salable inventory stocks.
(D) Market penetration, expansion, and diversification.

May/June 2011

20. The Sixth Economic Census highlighted several key employment characteristics of establishments. Which of the following is an exception to those findings?
(A) 93.0% of the establishments were seasonal in nature.
(B) Manufacturing sector was the largest employer providing employment to 30.3 million persons.
(C) Retail trade employed 27.19 million persons.
(D) Livestock sector employed 19.4 million persons.

Oct/Nov 2012

21. The time value of money uses discounting to find the present worth of future cash flows. What is the standard formula for computing the discount factor (d)?
(A) $d = 1 / (1 + r \times n)$
(B) $d = (1 + r)^n / 1$
(C) $d = 1 / (1 + r)^n$
(D) $d = 1 / (1 - r)^n$

May/June 2015

22. Under the original MSMED Act 2006 framework, the limits for investment in plant and machinery/equipment varied between manufacturing and service enterprises. Identify the correct pair representing the ceiling on investment for a Small Enterprise under the 2006 classification.
(A) Manufacturing: ₹ 25 lakhs | Service: ₹ 10 lakhs
(B) Manufacturing: ₹ 5 crores | Service: ₹ 2 crores
(C) Manufacturing: ₹ 10 crores | Service: ₹ 5 crores
(D) Manufacturing: ₹ 1 crore | Service: ₹ 50 lakhs

Oct/Nov 2013

23. Match the items in List I with the items in List II and select the correct answer using the codes given below:
List I: (Economic Sectors)
P. Primary sector
Q. Secondary sector
R. Tertiary sector
S. Mining and quarrying (within Primary)
List II: (Share of total establishments)
1. 19.72%
2. 57.68%
3. 0.15%
4. 22.6%
(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-4, R-3, S-2
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-1, R-4, S-3

May/June 2008

24. Match the items in List I with the items in List II and select the correct answer using the codes given below:
List I: (Financial Ratios)
P. Inventory Turnover Ratio
Q. Accounts Receivable Turnover
R. Debtors Turnover Ratio
S. Sales to Marketing Expenses Ratio
List II: (Implications)
1. Measures how quickly credit sales are converted into cash.
2. Evaluates the efficiency of the marketing function; should generally be stable or falling slowly with a rise in sales.
3. Indicates how long it takes for a company to be paid once a sale has been made.
4. Determines if the unit is wasting resources on storage costs or tying up cash on slow-moving inventory.
(A) P-4, Q-3, R-1, S-2
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-1, R-3, S-2
(D) P-3, Q-4, R-2, S-1

Oct/Nov 2017

25. Consider the following statements regarding business finance in the context of MSMEs:

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CHAPTER 12
SME Finance

Oct/Nov 2018

1. The amended KVIC Act, 1956 defines a "village industry" based on the fixed capital investment per head of an artisan or worker. What is the maximum permissible fixed capital investment per head for a village industry located in a hilly area?
(A) ₹ 50,000
(B) ₹ 1,000,000
(C) ₹ 1,50,000
(D) ₹ 2,00,000

May/June 2021

2. A bank's credit department is evaluating a new MSME term loan proposal. Which of the following statements incorrectly reflects a sound appraisal technique?
(A) The bank should verify the identity and address proof of the founders to establish their credit credentials.
(B) The bank should prefer industries in "Sun rise" sectors over those showing dim long-term growth prospects.
(C) The bank should favour enterprises relying on a small group of clients to minimize expansion costs.
(D) The bank should examine vintage proof, such as the year of establishment and valid trade license details.

Oct/Nov 2005

3. Under the revised classification of MSMEs effective from July 1, 2020, what is the defining threshold for a micro enterprise?
(A) Investment in Plant and Machinery or Equipment does not exceed ₹ 1 crore and turnover does not exceed ₹ 5 crores
(B) Investment in Plant and Machinery or Equipment does not exceed ₹ 5 crores and turnover does not exceed ₹ 10 crores
(C) Investment in Plant and Machinery or Equipment does not exceed ₹ 10 crores and turnover does not exceed ₹ 50 crores
(D) Investment in Plant and Machinery or Equipment does not exceed ₹ 50 crores and turnover does not exceed ₹ 250 crores

NODIA

May/June 2025

4. An MSME reports a very high inventory turnover ratio compared to its peers. The company sells perishable items like food. How should the lending officer interpret this data?
(A) The unit is wasting significant resources on storage costs and holding slow-moving stock units.
(B) The unit has excessive amounts of obsolete stock that cannot be sold or used as loan collateral.
(C) Frequent turnover is positive for businesses dealing with perishable inventory like food items.
(D) The unit is struggling to pay its supplier bills or manage its current cash flow position effectively.

Oct/Nov 2014

5. Consider the following statements regarding the profile of establishments based on the Sixth Economic Census:
I Around 96.4% of establishments were under private ownership.
II Livestock was the major economic activity within the agricultural sector.
III Retail trade was the dominant activity within the nonagricultural sector.
IV Overall average employment per establishment increased from 2.30 in the Fifth EC to 2.50 in the Sixth EC.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (IV) only
(B) (I), (II), and (III) only
(C) (II), (III), and (IV) only
(D) (I), (III), and (IV) only

May/June 2012

6. Consider the following statements about profitability and efficiency ratios:
I A low gross margin signals that the

of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2005

33. Identify the incorrect statement regarding the interpolation method used to calculate the exact IRR.
(A) The process typically starts with a selected discount rate and increases or decreases until NPV changes sign.
(B) The formula is mathematically represented as L + [(H − L) × NPV at H] / [NPV at L − NPV at H].
(C) The formula utilizes a lower discount rate where NPV is positive and a higher discount rate where NPV is negative.
(D) Interpolation can be used if NPV is positive at 20% discount rate and negative at 25% discount rate.

May/June 2017

34. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below:
Assertion (A): Public sector banks have been advised to open at least one specialized MSME branch in each district.
Reason (R): Specialized branches equip bank personnel to develop requisite expertise and ensure specialized service in clusters with a preponderance of small enterprises.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2024

35. Consider the following statements regarding follow-up, monitoring, and review of MSME loans:
I Periodical visits/inspection shall be undertaken to ensure the borrowing units maintain necessary stocks against which cash credit limits are considered.
II Field officers must ensure that the activities of the units are in accordance with the plans envisaged at the time of sanction.
Which of the above statement(s) is/are correct?
(A) (I) only
(B) (II) only
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2010

36. As part of the financial sector liberalization, RBI deregulated interest rates to improve transparency in monetary policy transmission. From April 1, 2016, banks are required to sanction all their advances with reference to which benchmark?
(A) Marginal Cost of fund-based Lending Rates (MCLR)
(B) Base Rate
(C) Benchmark Prime Lending Rate (BPLR)
(D) Repo Rate exclusively

Oct/Nov 2011

37. Match the items in List I with the items in List II and select the correct answer using the codes given below:
List I: (Measures of Financial Viability)
P. Net Present Value (NPV)
Q. Benefit Cost Ratio (BCR)
R. Internal Rate of Return (IRR)
S. Debt Service Coverage Ratio (DSCR)
List II: (Characteristics)
1. The project is viable when this is one or more than one.
2. Calculates the difference between the present value of the benefit streams and the initial investment cost.
3. Represents the returns internally generated by the project, making the net present value equal to 0.
4. Indicates the debt service capabilities of the project, normally considered reasonable between 1.5 and 2.
(A) P-2, Q-1, R-3, S-4
(B) P-1, Q-2, R-4, S-3
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-3, R-2, S-1

May/June 2009

38. Match the items in List I with the items in List II and select the correct answer using the codes given below:
List I: (Institutions)
P. ISTSL

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involving a group of 10 or so MSMEs, what entity is formed?
(A) National Monitoring and Implementing Unit (NMIU)
(B) Special Purpose Vehicle (SPV)
(C) Steering Committee (SSC)
(D) Quality Management System (QMS)

Oct/Nov 2010

89. A Member Lending Institution sanctions a collateral-free credit facility of ₹ 4 lakhs to a Micro Enterprise. As per the CGTMSE guidelines, what is the maximum extent of the guarantee cover available for this facility?
(A) 50% of the amount in default subject to a maximum of ₹ 2 lakhs
(B) 85% of the amount in default subject to a maximum of ₹ 3.40 lakhs
(C) 75% of the amount in default subject to a maximum of ₹ 3.75 lakhs
(D) 80% of the amount in default subject to a maximum of ₹ 3.20 lakhs

May/June 2006

90. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below:
Assertion (A): Under the Coir Udyami Yojana, a priority beneficiary category exists, which includes SC/ST, Women, NER, and Andaman and Nicobar Island beneficiaries.
Reason (R): The funding structure under the scheme mandates a 40% subsidy, a 55% bank loan, and a 5% beneficiary contribution for setting up units with project cost up to ₹ 10.00 lakh.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2006

91. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below:
Assertion (A): For accounts in SMA-2 with aggregate loan limits of less than ₹ 10 lakh, the branch itself must mandatorily examine the account for a Corrective Action Plan (CAP).
Reason (R): This aims to empower the branch manager or designated official to quickly decide on recovery under CAP instead of automatically referring small accounts to the Committee.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2019

92. Once an account is taken up for restructuring, the Committee has to periodically review the account for achievement or non-achievement of viability milestones stipulated for a period like 6 months.
Reason (R): This ensures that if the enterprise fails to achieve the milestones, suitable measures including recovery measures can be initiated, keeping in mind that stakeholders (promoters) bear the first loss.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2014

93. A micro enterprise applies for a credit rating under the PCRS framework. The total rating fee quoted by the empanelled rating agency is ₹ 60,000. What is the amount of subsidy the enterprise can receive for the first year?
(A) ₹ 30,000
(B) ₹ 40,000
(C) ₹ 45,000
(D) ₹ 60,000

May/June 2012

94. The Scheme for Credit Linked Capital Subsidy (CLCS-TU) is designed for technology upgradation. Which of the following is an exception and generally falls outside the stated

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May/June 2018

44. Under the Micro and Small Enterprises Refinance Scheme (MSERS), SIDBI provides refinance assistance to select Financial Institutions. What are the specific financial criteria these institutions must meet to be eligible?

(A) Operations for 5 years, net worth not less than ₹ 100 crores, and a minimum CRAR of 12%.

(B) Profit during the previous one year, net worth not less than ₹ 25 crores, and CRAR of 8%.

(C) Profit during the previous three years, zero NPAs, and a mandatory minimum CRAR of 15%.

(D) Two years of profit, net worth $\geq$ ₹ 50 crore, CRAR $\geq$ 9%, and net NPAs $\leq$ 10%.

Oct/Nov 2022

45. The cluster-based approach to lending is highly recommended to cater to the diverse needs of the MSE sector. Which of the following is an exception to the benefits of this approach?

(A) Dealing with well-defined and recognized groups

(B) Availability of appropriate information for risk assessment

(C) Increase in monitoring costs for the lending institutions

(D) Reduction in costs

May/June 2005

46. Which of the following statements conceptually explains the application of the Internal Rate of Return (IRR) in decision making?

(A) The project is accepted if the IRR is significantly lower than the prescribed acceptable rate for the entrepreneur.

(B) Viability is achieved when IRR exceeds the entrepreneur's acceptable rate and opportunity cost.

(C) A project is deemed viable only if the IRR calculation is completely independent of any opportunity costs.

(D) For agricultural and rural development projects, financial viability is generally assured only when IRR is zero.

Oct/Nov 2010

47. According to the extant policy for MSME lending, what specific growth targets and allocations are mandated for banks?

(A) 10% year-on-year growth in credit, with a mandatory 20% annual growth in micro enterprise accounts.

(B) 20% growth in credit, 10% growth in micro accounts, and 60% of MSE lending to micro enterprises.

(C) 30% year-on-year growth in total MSME credit and 50% of that credit directed to medium enterprises.

(D) 15% annual growth in medium enterprise accounts, with 40% of total lending going to micro enterprises.

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May/June 2021

48. Which of the following statements correctly differentiates between economic appraisal and social/distributive appraisal?

(A) Economic appraisal measures the distribution of income due to the project, while social appraisal determines the overall welfare improvement.

(B) Social appraisal evaluates distributional effects on parties, such as farmers displaced by projects.

(C) Economic appraisal solely considers the financial viability for the promoter, whereas social appraisal evaluates tax revenues.

(D) A project that is financially unviable can never be deemed socially and economically viable under distributive appraisal.

Oct/Nov 2006

49. Which of the following is an exception to the key benefits provided under the MUDRA loan scheme?

(A) Loans are strictly restricted to the funded category, disallowing non-funded categories to prevent misuse.

(B) Borrowers are not required to provide collateral or security.

(C) There are no processing charges for availing the loan.

(D) Loans can take the form of term loans, overdraft facilities, letters of credit, or bank guarantees.

10% of the original invoice value for the delay.
(C) The buyer is immediately declared insolvent by the MSEFC and prohibited from further trading.
(D) Compound interest with monthly rests at three times the Bank Rate notified by the RBI.

May/June 2017

76. Which of the following statements correctly outlines the scheme for Certified Credit Counsellors launched by SIDBI in July 2017?
(A) Credit counsellors dictate the final loan sanction decisions on behalf of the commercial banks.
(B) Credit counsellors act as primary guarantors for MSME loans under the existing CGTMSE framework.
(C) Credit counsellors are RBI employees assigned to monitor MSME non-performing assets directly.
(D) Institutions or individuals registered with SIDBI who help MSMEs with project reports.

Oct/Nov 2024

77. Which of the following correctly identifies an exception or limitation in the CGTMSE coverage for an MSE Retail Trade activity?
(A) It enjoys an 85% cover similar to Micro Enterprises up to ₹ 5 lakhs.
(B) The maximum extent of guarantee where credit facility is above ₹ 50 lakhs and up to ₹ 200 lakhs is ₹ 150 lakhs.
(C) It is completely excluded from any form of guarantee cover under CGTMSE.
(D) The guarantee covers 50% of the amount in default subject to a maximum of ₹ 50 lakhs.

May/June 2010

78. The ASPIRE scheme aims to promote entrepreneurship culture and ensure grassroots economic development. A core component of ASPIRE is to set up a specific facility under the aegis of NSIC or KVIC. What is this facility?
(A) Special Purpose Vehicle (SPV)
(B) Micro and Small Enterprise Facilitation Council (MSEFC)
(C) Certified Credit Counsellors (CCC)
(D) Livelihood Business Incubators (LBI)

Oct/Nov 2011

79. Consider the following statements regarding the enhancements in the Credit Guarantee Fund Scheme (CGTMSE) effective from Jan 1, 2017:
I Guarantee cover is extended to a single eligible borrower up to ₹ 200 lakh.
II The corpus of the Trust has been enhanced from ₹ 2500 crore to ₹ 7500 crore.
III The entire enhancement in the corpus is fully funded by GOI.
IV Scheduled Urban Co-operative Banks and Small Finance Banks (SFBs) are included as Member Lending Institutions.
V Collateral-based facilities are automatically covered if the loan amount exceeds ₹ 200 lakh.
Which of the above statement(s) is/are correct?
(A) (I), (II), (III), and (V)
(B) (I), (II), (III), and (IV)
(C) (II), (III), (IV), and (V)
(D) (I), (III), (IV), and (V)

May/June 2009

80. Consider the following statements regarding Assistance to Training Institutions Scheme:
I The maximum assistance for creation or strengthening of infrastructure is ₹ 150 lakhs on matching basis, not exceeding 50% of project cost.
II For the North Eastern region (including Sikkim), Andaman & Nicobar and Lakshadweep, the maximum assistance would be ₹ 270 lakhs or 90% of project cost.
Which of the above statement(s) is/are correct?
(A) (I) only
(B) (II) only
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2019

81. According to Section 18 of the MSMED Act, when a reference is made to the Micro and Small Enterprise Facilitation Council (MSEFC) regarding a dispute on delayed payments, within what timeframe is the reference supposed to be decided?
(A) Within a period of thirty days from the date of making the reference.
(B) Within a period of forty-five days from the date of making the reference.
(C) Within a period of ninety days from the date of making the reference.

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(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2009

57. Consider the following statements regarding composite loan limits for the MSME sector:
I A composite loan limit of ₹ 1 crore can be sanctioned by banks to enable entrepreneurs to avail working capital and term loan requirements through a Single Window.
II Banks which have sanctioned a term loan singly or jointly must not sanction working capital limits to ensure no overleveraging occurs before production begins.
Which of the above statement(s) is/are correct?
(A) (I) only
(B) (II) only
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2016

58. A bank is processing an application for an aggregate fund-based working capital limit of ₹ 4.00 crore for an SME unit. Which method is generally followed for assessing the working capital requirement in this scenario?
(A) Turnover method based on minimum 20% of their estimated turnover
(B) Maximum Permissible Bank Finance (MPBF) 2nd method
(C) Project build-up of current assets and liabilities to find the working capital gap
(D) Net Present Value method

Oct/Nov 2023

59. To address the critical issue of delayed payments, the TReDS platform brings transparency to the business eco-system. Which company commenced operations on January 09, 2017, as a joint venture of SIDBI and NSE to operate this system?
(A) ISARC
(B) SMERA
(C) RXIL
(D) ISTSL

May/June 2022

60. Which statement correctly identifies the purpose and corpus of the SIDBI Make in India Soft Loan Fund for Micro Small and Medium Enterprises (SMILE)?
(A) A ₹ 2000 crore fund specifically designed to assist MSME startups as a designated 'Fund of Funds'.
(B) A ₹ 10,000 crore fund providing soft loans as quasi-equity to meet debt-equity ratio needs.
(C) A ₹ 5000 crore fund utilized exclusively for financing trade receivables of registered medium enterprises.
(D) A ₹ 1000 crore fund focused on agriculture and the recycling of various forest and rural produce.

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Oct/Nov 2020

61. Identify the correct pair regarding the new portal registration process and its transitional arrangement.
(A) New Portal: MSME-Datta | Registration without PAN permitted up to: 31 December, 2020
(B) New Portal: TReDS | Registration without GST permitted up to: 1 July, 2020
(C) New Portal: Udyam | Registration without PAN permitted up to: 31 March, 2021
(D) New Portal: SFURTI | Registration without PAN permitted up to: 31 March, 2022

May/June 2011

62. Identify the incorrect statement regarding the Micro and Small Enterprises – Cluster Development Program (MSE-CDP).
(A) The scheme completely bars the setting up of Common Facility Centres (CFCs) for raw material depots or effluent treatment.
(B) The scheme envisages soft interventions such as diagnostic studies and capacity building.
(C) The scheme supports hard interventions including the infrastructural development in new or existing industrial estates.
(D) It addresses common issues such as improvement of technology, skills and quality, and market access.

Oct/Nov 2012

63. Rural Self Employment Training Institutes (RSETIs) conduct various skill upgradation programs. What is the preferred duration of these training programs?
(A) 1 to 3 days

(B) 1 to 6 weeks
(C) 3 to 6 months
(D) 1 to 2 years

May/June 2015

64. Despite various interventions, MSMEs face numerous constraints. Which conceptual issue leads to complex operational compliance burdens that hinder their efficiency?
(A) Absence of export credit guarantees
(B) Complete deregulation of interest rates
(C) Multiplicity of labour laws and complicated procedures
(D) Over-availability of sophisticated global technologies

Oct/Nov 2013

65. Match the items in List I with the items in List II and select the correct answer using the codes given below:
List I: (Cluster Types)
P. Heritage cluster
Q. Major cluster
R. Mini Cluster
S. Start-up LBI support (NSIC)
List II: (Maximum Per Cluster Budget Limit)
1. ₹ 1.50 crore
2. ₹ 8 crore
3. ₹ 3 crore
4. ₹ 1 crore
(A) P-2, Q-3, R-1, S-4
(B) P-3, Q-2, R-4, S-1
(C) P-1, Q-4, R-3, S-2
(D) P-4, Q-1, R-2, S-3

May/June 2008

66. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below:
Assertion (A): RBI has advised banks to fix separate sub-limits within the overall limits specifically for meeting payment obligations in respect of purchases from MSEs.
Reason (R): This is to ensure that large corporate borrowers enjoying working capital limits of ₹ 10 crore and above fulfill their payment obligations to MSEs on time.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2017

67. Consider the following statements regarding the guidelines on "Streamlining flow of credit to Micro and Small Enterprises":
I Extending standby credit facility in case of term loans.
II Providing additional working capital to meet with emergent needs of MSE units.
III Conducting mid-term reviews of regular working capital limits based on changes in demand patterns.
IV Establishing fixed timelines for credit decisions.
V Mandating a minimum balance to be kept in the current account.
Which of the above statement(s) is/are correct?
(A) (I), (II), (III), and (IV)
(B) (II), (III), (IV), and (V)
(C) (I), (III), (IV), and (V)
(D) (I), (II), (IV), and (V)

May/June 2006

68. Consider the following statements about the three National Level Entrepreneurship Development Institutes (EDIs) set up by the Ministry:
I NIESBUD is located at Noida (Uttar Pradesh) and was established in 1983.
II NIMSME is located at Hyderabad and was established in 1960.
III IIE is located at Guwahati and was established in 1993.
IV These autonomous societies exclusively finance the working capital of micro enterprises.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III) and (IV)
(B) (I), (II), and (III) only
(C) (I), (III), and (IV) only
(D) (II), (III), and (IV) only

Oct/Nov 2008

69. Match the items in List I with the items in List II and select the correct answer using the codes given below:
List I: (Borrowing Category and Facility Size)
P. Micro Enterprises (up to ₹ 5 lakhs)

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Q. Micro Enterprises (above ₹ 5 lakhs and up to ₹ 50 lakhs)
R. Women entrepreneurs/units located in NER (up to ₹ 50 lakhs)
S. MSE Retail Trade (From ₹ 10 lakhs up to ₹ 100 lakhs)

List II: (Guarantee Cover Percentage)
1. 75% of the amount in default
2. 50% of the amount in default
3. 85% of the amount in default
4. 80% of the amount in default

(A) P-3, Q-1, R-4, S-2
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-1, S-2
(D) P-3, Q-4, R-1, S-2

May/June 2024

70. Under the LMCS, a three-tier implementing structure is in place. At the lowest local-tier, involving a group of 10 or so MSMEs, what entity is formed?
(A) National Monitoring and Implementing Unit (NMIU)
(B) Special Purpose Vehicle (SPV)
(C) Steering Committee (SSC)
(D) Quality Management System (QMS)

Oct/Nov 2021

71. Identify the incorrect statement concerning the appeal process against a decree or award made by the MSEFC.
(A) The application shall be entertained by any court even if no deposit is made, provided the buyer is a PSU.
(B) An appellant who is not the supplier can file an application to set aside the decree.
(C) The appellant must deposit with the court 75% of the award amount.
(D) This provision is encapsulated under Section 19 of the MSMED Act.

May/June 2021

72. Match the items in List I with the items in List II and select the correct answer using the codes given below:

List I: (RBI Measures)
P. Priority Sector Lending classification for NBFCs
Q. Scheme of one-time restructuring
R. Exemption from CRR
S. External benchmark linkage

List II: (Specific Details)
1. Applied to accounts that were standard but in default as on January 1, 2020.
2. Implemented for incremental loans to MSMEs from fortnight ended January 31, 2020.
3. Allows bank credit for on-lending to micro and small enterprises up to ₹ 20 lakh per borrower.
4. Introduced for new floating rate loans from October 2019 to improve monetary policy transmission.

(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-1, S-2
(D) P-2, Q-4, R-3, S-1

Oct/Nov 2015

73. Under the Scheme for Credit Linked Capital Subsidy for technology upgradation (CLCS-TU), an MSE unit avails institutional finance for modernizing its plant. What is the subsidy rate and the maximum capital subsidy limit provided?
(A) 12% upfront capital subsidy up to a maximum cap of ₹ 10.00 lakhs
(B) 15% upfront capital subsidy up to a maximum cap of ₹ 15.00 lakhs
(C) 20% upfront capital subsidy up to a maximum cap of ₹ 25.00 lakhs
(D) 25% upfront capital subsidy up to a maximum cap of ₹ 50.00 lakhs

May/June 2020

74. The Coir Vikas Yojana assists entrepreneurs by supporting export-oriented programs. What is the maximum travel assistance provided to eligible coir exporters to participate in international fairs?
(A) Up to ₹ 1.00 lakh
(B) Up to ₹ 2.00 lakh
(C) Up to ₹ 5.00 lakh
(D) Up to ₹ 10.00 lakh

Oct/Nov 2005

75. Under the MSMED Act, 2006, if a buyer fails to make payment to the MSME supplier within 45 days of the acceptance of goods/services, what penalty is imposed on the buyer?
(A) The buyer is liable to pay simple interest at the standard bank rate applicable for the term.
(B) The buyer is liable to pay a flat penalty of

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May/June 2019

50. A scheduled commercial bank wishes to avail refinance under the MSERS scheme from SIDBI. The sanction has been provided. Within what timeframe is the entire loan generally required to be drawn by the bank?
(A) Within one week from the date of sanction
(B) Within three days from the date of sanction
(C) Within one month from the date of sanction
(D) Within 15 days from the date of sanction

Oct/Nov 2014

51. A bank is processing a collateral-free loan application for an MSE unit. What is the mandate regarding collateral security, and up to what limit can it be extended based on good track record and approval of the appropriate authority?
(A) Mandated not to accept collateral up to ₹ 5 lakh; extendable to ₹ 10 lakh.
(B) Mandated not to accept collateral up to ₹ 10 lakh; extendable up to ₹ 25 lakh.
(C) Mandated not to accept collateral up to ₹ 25 lakh; extendable up to ₹ 50 lakh.
(D) Mandated not to accept collateral up to ₹ 50 lakh; extendable up to ₹ 1 crore.

May/June 2012

52. An analyst wants to estimate changes in the value of an MSME's business or cash flow when specific potentially favourable and unfavourable events take place in the future. Which technique is the analyst employing?
(A) Sensitivity Analysis
(B) Risk Analysis
(C) Break-Even Analysis
(D) Scenario Analysis

Oct/Nov 2025

53. Which of the following statements incorrectly describes the sanction procedures and assessment for working capital facilities?
(A) For borrowers enjoying fund-based working limit over ₹ 5.00 crore, banks generally follow the MPBF 2nd method of lending.
(B) In the turnover method, the requirement is computed based on the projected turnover taking into account the previous year turnover or the average of the previous three years.
(C) Under the MPBF 2nd method, the assessment is computed exclusively on a minimum of 20% of estimated turnover.
(D) The banks shall set out the terms and conditions clearly in the sanction letters issued to the borrowing unit.

May/June 2007

54. Which of the following statements correctly states the criteria for banks' lending to MSMEs to be reckoned for priority sector advances?
(A) Lending is reckoned only if the MSME operates exclusively in the service sector and not manufacturing.
(B) Only large public limited companies that have a registered MSME subsidiary are considered eligible.
(C) MSMEs rendering services as defined by investment in equipment under the MSMED Act, 2006.
(D) MSMEs are eligible only if they do not manufacture goods but strictly trade in agricultural produce.

Oct/Nov 2018

55. What is the most appropriate objective of the India SME Asset Reconstruction Company Ltd. (ISARC)?
(A) Unlocking idle NPA assets for productive use and speedier resolution of MSME NPAs.
(B) Providing comprehensive credit ratings to facilitate greater credit flow from lending institutions.
(C) Acting as a designated Trustee for the SME Growth Fund and managing its investment portfolio.
(D) Operating India's first Trade Receivables Discounting System (TReDS) for electronic bill bidding.

May/June 2023

56. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below:
Assertion (A): A low Debt Equity (D/E) ratio indicates that an enterprise has been aggressive in financing its growth with debt.
Reason (R): The D/E ratio measures a unit's debt relative to the value of its net assets to gauge the extent to which it is taking on debt.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

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(D) Within a period of one hundred and twenty days from the date of making the reference.

May/June 2025

82. Which of the following statements incorrectly states the RBI directive on external benchmarks for MSMEs?
(A) The external benchmark system allows banks to fix their interest rates independently without reference to any market index.
(B) Subsequent to the introduction of the external benchmark system in October 2019, monetary policy transmission improved.
(C) New floating rate loans to micro and small entrepreneurs were linked to the external benchmark.
(D) From April 01, 2020, all new floating rate loans to medium enterprises extended by banks will also be linked to the external benchmark.

Oct/Nov 2007

83. Identify the incorrect statement regarding the Certification Reimbursement Scheme for HACCP and ISO standards.
(A) The scheme provides a one-time reimbursement for acquiring QMS ISO 9000/HACCP and/or EMS ISO 14001 certification.
(B) The objective is to enhance the competitive strength of the MSEs through technological upgradation and quality improvement.
(C) All Micro and Small Enterprises having Entrepreneurial Memorandum (EM) Number are eligible.
(D) The scheme reimburses 100% of the fees, subject to a maximum of ₹ 1,50,000.

May/June 2014

84. Which of the following statements correctly indicates the maximum monetary cap on the guarantee cover for women entrepreneurs/units located in NER for a credit facility up to ₹ 50 lakhs?
(A) Maximum of ₹ 37.50 lakhs
(B) Maximum of ₹ 40 lakhs
(C) Maximum of ₹ 50 lakhs
(D) Maximum of ₹ 150 lakhs

Oct/Nov 2016

85. What is the most appropriate description of the NAMCABS initiative by the Reserve Bank?
(A) A comprehensive platform for digital invoicing and trade receivables discounting for small firms.
(B) A statutory committee formed by the government to resolve delayed payments to small enterprises.
(C) 'National Mission for Capacity Building of Bankers for Financing the MSME Sector' for sensitivity.
(D) A venture capital fund created specifically to invest in high-growth, technology-based startups.

May/June 2018

86. Consider the following statements regarding the Expert Committee on MSMEs set up by RBI under the chairmanship of Shri U K Sinha:
I The committee made recommendations relating to legislative changes, infrastructure development, and technological upgradation.
II The committee recommended completely exempting all MSMEs from paying any form of direct taxation for a decade.
III The committee's recommendations included improving backward and forward linkages and improving financial support from formal sources.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III)
(B) (I) and (III) only
(C) (I) and (II) only
(D) (II) and (III) only

Oct/Nov 2022

87. Consider the following constraints faced by Indian MSMEs:
I Lack of access to global markets and inadequate infrastructure facilities.
II Excessive access to equity capital that creates dilution problems.
III Difficulties in procurement of raw materials at a competitive cost.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III)
(B) (I) and (III) only
(C) (I) and (II) only
(D) (II) and (III) only

May/June 2005

88. Under the LMCS, a three-tier implementing structure is in place. At the lowest local-tier,

NODIA

Q. SMERA
R. ISARC
S. STCL

List II: (Primary Functions)

1. Acts as Trustee of National Venture Fund for Software & Technology Industry.
2. A platform to tap opportunities at the global level for acquisition of new technology or establish business collaboration.
3. The country's first Rating agency focusing primarily on the MSME segment.
4. The country's first ARC supported by public sector banks with a focus on speedier resolution of NPAs in the MSME sector.

(A) P-2, Q-3, R-4, S-1
(B) P-1, Q-4, R-3, S-2
(C) P-3, Q-2, R-1, S-4
(D) P-4, Q-1, R-2, S-3

Oct/Nov 2019

39. Consider the following statements about SIDBI Venture Capital Limited (SVCL):

I It was incorporated in 1999 as an investment management company.
II It is a wholly owned subsidiary of SIDBI.
III It manages funds focused on startups, early-stage technology businesses, and manufacturing SMEs.
IV It identifies strong and ethical leadership teams capable of executing innovation-based business models.

Which of the above statement(s) is/are correct?

(A) (I), (II), and (IV) only
(B) (II), (III), and (IV) only
(C) (I), (III), and (IV) only
(D) (I), (II), (III), and (IV)

May/June 2025

40. Consider the following statements regarding the environmental aspects of project appraisal:

I The Central Pollution Control Board (CPCB) has been formed for ensuring proper implementation of the Environment (Protection) Act, 1986.
II The essence of Environmental Impact Assessment (EIA) is the prediction of consequences to the natural environment from development projects.
III RBI has directed banks not to extend certain credit facilities to industries which have deleterious effects on the environment.

Which of the above statement(s) is/are correct?

(A) (I) and (II) only
(B) (I) and (III) only
(C) (II) and (III) only
(D) (I), (II), and (III)

Oct/Nov 2007

41. What is the most appropriate policy prescription of the RBI regarding the credit rating of MSME units?

(A) Credit rating is mandatory for all MSME borrowers before any formal loan proposal is sanctioned.
(B) Not mandatory, but encouraged to help in credit pricing and enhance lender comfort levels.
(C) Credit rating is strictly prohibited as it increases the overall financial burden on small MSMEs.
(D) Credit rating is mandatory only for working capital loan applications exceeding a limit of ₹ 5 crores.

May/June 2014

42. Economic appraisal examines the project from the entire economy's point of view to determine its impact on economic welfare. Which of the following is an exception to the characteristics of economic appraisal?

(A) It is conducted for projects having huge investment and profound implication for the economy.
(B) It is typically conducted by agencies like the World Bank.
(C) It is traditionally conducted routinely in banks for all MSME loan proposals.
(D) It is utilized for big dams, forestry projects, and big industrial projects.

Oct/Nov 2016

43. Identify the incorrect statement regarding the initiatives and schemes associated with MSME development.

(A) MUDRA Bank : Refinancing institution providing loans up to ₹ 10 lakhs
(B) PMMY : Scheme prescribing a strict minimum loan amount for non-corporate micro enterprises
(C) TReDS : Platform for financing trade receivables of MSMEs without recourse
(D) SVCL : Investment management company that manages funds focused on early-stage technology businesses

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scope of this specific scheme's induction of technology?
(A) Installation of improved packaging techniques for product shelf-life extension.
(B) Implementation of mandatory anti-pollution measures for environmental compliance.
(C) Setting up new heavy-machinery factories for large corporates (investments > ₹ 500 crore).
(D) In-house testing and on-line quality control mechanisms for manufacturing units.

Oct/Nov 2025

95. Arrange the following timelines concerning the Corrective Action Plan (CAP) decisions chronologically from the receipt of an application:
1. The Committee takes a decision on the option to be adopted within 30 days of convening its first meeting.
2. The Committee conveys its decision to the enterprise within 5 working days from the date of its decision.
3. Finalization of the terms of restructuring within 20 working days for exposure up to ₹ 10 crore.
4. Finalization of the terms of restructuring within 30 working days for exposure above ₹ 10 crore and up to ₹ 25 crore.

(A) 1, 2, 3/4
(B) 2, 1, 3/4
(C) 1, 3/4, 2
(D) 3/4, 1, 2

May/June 2007

96. Match the items in List I with the items in List II and select the correct answer using the codes given below:
List I: (Analytical Parameter)
P. Quick Ratio
Q. Average age of debtors
R. NPV calculation
S. TEV study
List II: (Specific Insight)
1. Velocity of the distribution channel and sales function efficiency.
2. Measures liquidity utilizing only cash, liquid investments, and receivables.
3. Conducted to finalize the terms of restructuring an MSME loan.
4. Represents the wealth creation by the project using discounted cash flows.

(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-3, Q-4, R-1, S-2

Oct/Nov 2018

97. Consider the following statements regarding the Micro and Small Enterprise Facilitation Council (MSEFC):
I State Governments are required to establish the MSEFC for settlement of disputes on delayed payments.
II The MSEFC is chaired by the Director of Industries of the State/UT having administrative control over the MSE units.
Which of the above statement(s) is/are correct?
(A) (I) only
(B) (II) only
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2023

98. Identify the incorrect statement regarding the decision-making authority of the creditors within the Committee.
(A) The majority is defined strictly as 50% by value and 75% by number of the creditors.
(B) The decisions agreed upon by a majority of the creditors are considered the basis for proceeding.
(C) The decision will be binding on all lenders under the terms of the Inter-Creditor Agreement.
(D) If the Committee decides to proceed with recovery, minimum criteria for binding decisions under relevant laws or Acts apply.

Oct/Nov 2009

99. Match the items in List I with the items in List II and select the correct answer using the codes given below:
List I: (SMA Sub-categories)
P. SMA-0
Q. SMA-1
R. SMA-2
S. NPA
List II: (Classification Basis)
1. Principal or interest payment overdue between 31–60 days
2. Principal or interest payment overdue between 61–90 days

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26. (D) Limit of ₹ 20 crore for investment and ₹ 100 crore for turnover.
The 2020 revised MSME definition established uniform criteria for manufacturing and service firms. For a medium enterprise, the investment limit is fifty crore rupees and the turnover limit is two hundred fifty crore rupees. The thresholds of ten crore rupees for investment and fifty crore rupees for turnover actually define a small enterprise, not a medium enterprise, under these guidelines.

27. (B) 1.75
The Debt Service Coverage Ratio is a vital indicator of an enterprise's ability to repay its debt obligations. It is calculated by adding profit after tax, depreciation, and interest, then dividing by the sum of interest and principal repayments. For this specific scenario, the calculation results in a ratio of 1.75, which typically falls within the range considered acceptable by lenders.

28. (A) 58.50 million
The Sixth Economic Census, conducted in 2013, provides a comprehensive overview of the entrepreneurial landscape in India. The findings of this extensive survey revealed that there were approximately fifty-eight point five million establishments operating across the country. This data point reflects the scale of economic activity and the significant number of units contributing to national employment and production.

29. (B) Last 6 months
To establish the creditworthiness and operational history of an enterprise's leadership, banks perform thorough due diligence. This process involves examining the personal and business bank statements of the proprietor or partners. Specifically, banks are required to analyze statements for the last six months. This review helps identify cash flow patterns, transaction history, and the overall financial stability of the applicants.

30. (D) Own Account Establishments : 28.26% of total establishments
Economic census data details the distribution of activities within different sectors. While livestock dominates agricultural establishments and retail trade is a major non-agricultural activity, the reported percentage for own account establishments is inaccurate. These units, which operate without hired workers, actually represent a much larger majority of the total establishments in India, far exceeding the twenty-eight percent figure mentioned.

31. (C) Risk Analysis
Risk analysis in project appraisal involves evaluating the impact of various uncertainties on project outcomes. Probabilistic analysis is a sophisticated technique within this field that assigns probability distributions to different risk variables. By doing so, it allows analysts to calculate the likelihood of negative outcomes, providing a more comprehensive understanding of potential financial risks than simple deterministic or fixed-value methods.

32. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The MUDRA scheme is designed to enhance financial inclusion by supporting small-scale entrepreneurs who often lack traditional assets. Consequently, loans provided under this initiative are collateral-free, removing a significant barrier to entry. This approach aligns with the scheme's objective of creating an inclusive entrepreneurial culture and bringing informal micro-units into the formal financial system for better economic growth.

33. (B) The formula is mathematically represented as $L + [(H - L) \times NPV \text{ at } H] / [NPV \text{ at } L - NPV \text{ at } H]$.
Calculating the Internal Rate of Return accurately often requires the interpolation method. This process involves testing discount rates until the Net Present Value changes sign. The correct mathematical approach uses the lower discount rate plus the product of the rate difference and the ratio of positive NPV to the total absolute difference between the positive and negative NPV values.

34. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Specialized MSME branches are a strategic initiative to improve credit delivery to small enterprises. By establishing at least one such branch in every district, public sector banks ensure that personnel develop deep expertise

NODIA

(D) It transfers the entire risk of default directly to the SIDBI or central agencies.

May/June 2015

106. Which entity is responsible for implementing the Performance and Credit Rating Scheme (PCRS) for MSMEs?
(A) Reserve Bank of India (RBI)
(B) National Small Industries Corporation (NSIC) Limited
(C) Small Industries Development Bank of India (SIDBI)
(D) Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)

Oct/Nov 2013

107. When considering the restructuring option under CAP, which defining characteristic explicitly renders a borrower completely ineligible unless specific management changes occur?
(A) Willful default or involvement in fraud or malfeasance.
(B) The borrower operates exclusively in the service sector.
(C) The borrower has a loan account with an exposure of ₹ 15 lakhs.
(D) Failure to submit sales tax certificates for the current quarter.

May/June 2008

108. Which of the following statements correctly describes the constitution of Committees for Stressed Micro, Small and Medium Enterprises?
(A) All banks with MSME exposure must form a Committee at District or Regional levels.
(B) Only private sector banks are mandated to constitute such committees for their borrowers.
(C) Committees are constituted exclusively at the National Head Office level to handle all cases centrally.
(D) The Committee must be chaired by the District Magistrate or the Collector of the relevant district.

Oct/Nov 2017

109. During the appraisal of an MSME proposal, the banker must analyze whether the enterprise needs to address issues relating to intellectual property. This specific requirement relates to:
(A) Sales plan and forecast
(B) Pricing of products and services
(C) Distribution channel velocity
(D) Trademarks or legal issues

May/June 2006

110. Consider the following statements about the implementation of the Corrective Action Plan (CAP):
I If the CAP is Rectification, implementation shall be completed within 30 days of finalizing the terms.
II If the CAP is Restructuring, implementation shall be completed within 90 days.
III In case recovery is considered as CAP, the recovery measures should be initiated at the earliest.
IV Restructuring requires a detailed Techno-Economic Viability (TEV) study.
V Under restructuring, promoters must commit to extending their personal guarantee supported by copies of legal titles to assets.
Which of the above statement(s) is/are correct?
(A) (I), (II), (III), and (IV) only
(B) (I), (II), (III), (IV), and (V)
(C) (II), (III), (IV), and (V) only
(D) (I), (III), (IV), and (V) only

Oct/Nov 2008

111. Consider the following statements about the Banking Codes and Standards Board of India (BCSBI):
I It formulated a Code of Bank's Commitment to Micro and Small Enterprises.
II The Code sets minimum standards of banking practices for banks dealing with MSEs.
III The Code removes the necessity for banks to assess the financial viability of an MSE before granting a loan.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III)
(B) (I) and (II) only
(C) (I) and (III) only
(D) (II) and (III) only

May/June 2024

112. Match the items in List I with the items in List II and select the correct answer using the codes given below:
List I: (SMA Sub-categories)
P. SMA-0

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even if it is financially unviable.
Reason (R): The Government may decide to implement a financially unviable project if it believes that the positive externalities (like providing basic needs) are worth the negative financial cash flow.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2007

125. An MSME borrower is plagued by recurring liquidity issues because large corporate buyers take 90 to 120 days to settle invoices. To mitigate this without risking its relationship with the buyers, the MSME registers on an online electronic platform licensed by RBI to auction these bills to multiple financiers. Which mechanism is the MSME using?

(A) MUDRA Tarun loans
(B) Trade Receivables Discounting System (TReDS)
(C) Micro and Small Enterprise Facilitation Council (MSEFC)
(D) Credit Guarantee Fund Trust (CGTMSE)

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II SMA-1 relates to principal or interest payment overdue between 31–60 days.
III SMA-2 relates to principal or interest payment overdue between 61–90 days.
IV The branch should forward details of stressed accounts in SMA-2 with aggregate loan limits above ₹ 10 lakh to the Committee.
V Accounts with aggregate limits below ₹ 10 lakh are ignored and not evaluated for CAP.

Which of the above statement(s) is/are correct?
(A) (I), (II), (III), and (V)
(B) (I), (II), (IV), and (V)
(C) (I), (II), (III), and (IV)
(D) (II), (III), (IV), and (V)

Oct/Nov 2024

119. Which of the following statements correctly identifies the proprietary nature of establishments reported in the Sixth Economic Census?
(A) 89.39% of the establishments were owned by proprietors.
(B) 50.00% of the establishments were owned by the government.
(C) 15.4% of the establishments were owned by self-help groups.
(D) 96.4% of the establishments were categorized under public sector units (PSUs).

May/June 2010

120. The ASPIRE scheme aims to establish Livelihood Business Incubators (LBI). Which of the following is NOT listed as a dedicated use for the scheme fund?
(A) Funding the day-to-day payroll of large multinational corporate offices
(B) Automation of agricultural practices
(C) Recycling of agricultural pre/post-harvest wastages
(D) Business models for value addition relevant for rural areas

Oct/Nov 2011

121. A banker notices that a manufacturing enterprise's marketing expenses ratio to sales is falling slowly over the last two years, while sales are steadily rising. Direct marketing expenses are semi-variable. How should the banker interpret this trend?
(A) The marketing function is highly inefficient and losing ground to major competition.
(B) The trend indicates complacency and that the enterprise is taking the market for granted.
(C) The ratio indicates that the sales assets are not generating a reasonable level of sales revenue.
(D) Trend is positive, indicating efficiency in the marketing function relative to sales.

May/June 2009

122. Consider the following statements regarding the sub-categories of Special Mention Accounts (SMA):
I SMA-0 relates to principal or interest payment not overdue for more than 30 days but showing signs of incipient stress.
II SMA-1 relates to principal or interest payment overdue between 31–60 days.
III SMA-2 relates to principal or interest payment overdue between 61–90 days.
IV The branch should forward details of stressed accounts in SMA-2 with aggregate loan limits above ₹ 10 lakh to the Committee.
V Accounts with aggregate limits below ₹ 10 lakh are ignored and not evaluated for CAP.

Which of the above statement(s) is/are correct?
(A) (I), (II), (III), and (V)
(B) (I), (II), (IV), and (V)
(C) (I), (II), (III), and (IV)
(D) (II), (III), (IV), and (V)

Oct/Nov 2019

123. An autonomous institution plans to launch a facility to incubate ideas and enterprise creation specifically in the agro-based sector, promoting grassroots economic development. The initiative aims to utilize a ₹ 200 crore scheme fund to support automation in agriculture. Under which scheme is this facility, known as Livelihood Business Incubators (LBI), most likely being set up?
(A) SFURTI
(B) MSE-CDP
(C) ASPIRE
(D) LMCS

May/June 2025

124. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the codes given below:
Assertion (A): In social appraisal, a project may be deemed socially and economically viable

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3. Principal or interest payment not overdue for more than 30 days but showing signs of incipient stress
4. Not explicitly an SMA category but represents a default beyond 90 days

(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-2, R-1, S-4
(D) P-2, Q-1, R-4, S-3

May/June 2016

100. Which of the following members is an exception and is NOT officially mandated as part of the composition of the Committee for Stressed MSMEs?

(A) The regional or zonal head of the convener bank (Chairperson).
(B) Officer-in-charge of the MSME Credit Department of the convener bank (Member and Convener).
(C) The Chief Executive Officer (CEO) of the rival competing enterprise in the same cluster.
(D) One independent external expert with expertise in MSME-related matters.

Oct/Nov 2023

101. Consider the following statements regarding the delayed payment provisions under the MSMED Act:

I The buyer is liable to pay compound interest with monthly rests.
II The interest rate is three times the Bank Rate notified by RBI.
III Interest applies if payment is not made within 45 days of acceptance of goods/ services.
IV For an appeal to be entertained, the appellant (if a buyer) must deposit 50% of the award amount.

Which of the above statement(s) is/are correct?

(A) (I), (II), and (III) only
(B) (I), (II), and (IV) only
(C) (II), (III), and (IV) only
(D) (I), (II), and (III) or (IV)

May/June 2022

102. RBI guidelines for the revival and rehabilitation of MSMEs apply to accounts up to a specific loan limit. For accounts with exposure above this limit, which mechanism governs the restructuring?

(A) Corporate Debt Restructuring (CDR) or Joint Lenders' Forum (JLF) mechanism.
(B) Legal proceedings via the Debt Recovery Tribunal (DRT).
(C) Resolution through the National Company Law Tribunal (NCLT).
(D) Filing with the Board for Industrial and Financial Reconstruction.

Oct/Nov 2020

103. An MSME borrower is classified under fraud and malfeasance. The existing promoters are completely replaced by new promoters, and the borrower company is totally delinked from the erstwhile management. What action can the Committee take?

(A) The account remains permanently ineligible for restructuring under any circumstances.
(B) Restructuring can be considered based on viability, without prejudice to criminal action.
(C) The Committee must immediately liquidate the company to recover the full fraud amount.
(D) The Committee must provide additional working capital without conducting a TEV study.

NODIA

May/June 2011

104. Under the Corrective Action Plan, if the borrower commits to regularizing the account to pull it out of Special Mention Account status with identifiable cash flows, and there is no loss or sacrifice on the part of the existing lenders, which option is being utilized?

(A) Restructuring
(B) Recovery
(C) Liquidation
(D) Rectification

Oct/Nov 2012

105. What is the most appropriate rationale for banks utilizing the turnover method to assess working capital for aggregate fund-based limits up to ₹ 5.00 crore?

(A) It eliminates the need for any collateral security or third-party guarantees.
(B) It provides a detailed sensitivity and risk analysis for every small loan application.
(C) Simplifies computation based on 20% of estimated turnover, expediting credit delivery.

ANSWERS

1. (C) ₹ 1,50,000
The Khadi and Village Industries Commission Act, 1956, specifies the parameters for defining village industries within the Indian economic framework. For enterprises located in hilly terrains, the permissible limit for fixed capital investment per worker is established at one lakh fifty thousand rupees. This threshold ensures tailored support for industries operating in geographically challenging environments.

2. (C) The bank should favour enterprises relying on a small group of clients to minimize expansion costs.
Sound credit appraisal for small and medium enterprises necessitates evaluating the sustainability of the business model. While verifying credentials and preferring growth-oriented sectors are standard practices, favouring enterprises with a narrow customer base is inadvisable. Such high client concentration increases revenue sensitivity and financial risk, potentially compromising the unit's ability to maintain stable operations and repayment.

3. (A) Investment in Plant and Machinery or Equipment does not exceed ₹ 1 crore and turnover does not exceed ₹ 5 crores
The revised classification system for micro, small, and medium enterprises significantly altered the criteria for categorization. Under these regulations, a micro enterprise is specifically identified by two financial thresholds. The investment in plant and machinery or equipment must not exceed one crore rupees, while the annual turnover must remain within the limit of five crore rupees.

4. (C) Frequent turnover is positive for businesses dealing with perishable inventory like food items.
A high inventory turnover ratio indicates how efficiently an enterprise manages its stock relative to its sales. In the context of businesses dealing with perishable goods, such as food items, a rapid turnover is highly beneficial. It ensures that products are sold quickly, minimizing the risk of spoilage and reducing the costs associated with holding aging inventory.

5. (B) (I), (II), and (III) only
The Sixth Economic Census provides detailed insights into the structure of establishments in India. Findings indicate that over ninety-six percent of establishments are under private ownership. Within the agricultural sector, livestock emerges as the primary economic activity. Similarly, in the non-agricultural sector, retail trade is identified as the dominant activity, reflecting its significant role in the economy.

6. (A) (I), (II), (III), and (V)
Profitability and efficiency ratios are essential for evaluating an enterprise's financial health. A low gross margin often indicates difficulty in covering operating costs. Net profit margin reflects the final percentage of revenue after all expenses. Productivity can be measured through sales per employee, while a high net profit margin demonstrates effective cost control and accurate product pricing.

7. (B) Not exceeding ₹ 1 crore
Historically, the classification of industrial units in India relied heavily on the value of investment in plant and machinery. When small-scale units were initially defined, the maximum investment limit was capped at one crore rupees. This threshold was designed to distinguish smaller manufacturing operations from larger industrial entities, ensuring they received appropriate regulatory and financial policy support.

8. (B) While some are high-growth and innovative, over 94% are unregistered in the informal sector.
The micro, small, and medium enterprises sector exhibits significant diversity in terms of scale and sophistication. This heterogeneity is clearly demonstrated by the fact that while some units are modern and high-growth, more than ninety-four percent remain unregistered and operate within the informal sector. This vast range highlights the different challenges faced by various segments of the sector.

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Q. SMA-1
R. SMA-2
S. NPA

List II: (Classification Basis)

1. Principal or interest payment overdue between 31–60 days
2. Principal or interest payment overdue between 61–90 days
3. Principal or interest payment not overdue for more than 30 days but showing signs of incipient stress
4. Not explicitly an SMA category but represents a default beyond 90 days

(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-2, R-1, S-4
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2021

113. Arrange the following procedural steps chronologically when an application for revival/ rehabilitation is filed by the lender to the Committee:

1. Enterprise responds or makes a representation before the Committee.
2. Committee notifies the concerned enterprise about such application within five working days.
3. Enterprise discloses the details of all its liabilities within fifteen working days.
4. Committee sends notice to statutory creditors to determine the total liability.

(A) 2, 1, 3, 4
(B) 1, 2, 3, 4
(C) 2, 3, 1, 4
(D) 4, 2, 1, 3

May/June 2021

114. Under the MSMED Act 2006 framework (prior to 2020), which of the following is NOT a correct category threshold for Service Enterprises?

(A) Micro: Up to ₹ 10 lakhs
(B) Medium: Up to ₹ 10 crores
(C) Small: Up to ₹ 2 crores
(D) Medium: Up to ₹ 5 crores

Oct/Nov 2015

115. What is the most appropriate condition regarding the eligibility of accounts for restructuring under the revival framework?

(A) Only accounts reported as Loss Assets can be taken up for restructuring by the Committee.
(B) Willful defaulters are automatically eligible without any review of the reasons for classification.
(C) Doubtful accounts are explicitly barred even if they are Standard in the books of other lenders.
(D) Standard, SMA, or Sub-Standard accounts reported by one or more lenders.

May/June 2020

116. Match the items in List I with the items in List II and select the correct answer using the codes given below:

List I: (Entity/Concept)

P. NSIC
Q. CRISIL, ICRA, CARE
R. Maximum subsidy percentage
S. Maximum absolute subsidy limit

List II: (Relevant Role)

1. Empanelled rating agencies
2. 75% of the fee
3. ₹ 40,000
4. Implementer of the scheme

(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-4, R-3, S-2
(C) P-4, Q-1, R-3, S-2
(D) P-2, Q-3, R-1, S-4

NODIA

Oct/Nov 2005

117. What is the most appropriate essence of conducting an Environmental Impact Assessment (EIA) during project appraisal?

(A) To calculate the net present value of all future carbon tax liabilities of the firm.
(B) To differentiate a new and additional analysis where probabilistic elements are explicitly addressed under ERA.
(C) To determine if the enterprise belongs to a highly concentrated industry or sector group.
(D) Predicting consequences to the natural environment and seeking State PCB clearances.

May/June 2017

118. Consider the following statements regarding the sub-categories of Special Mention Accounts (SMA):

I SMA-0 relates to principal or interest payment not overdue for more than 30 days but showing signs of incipient stress.

obligations. The Quick Ratio, specifically, measures the proportion of most liquid assets to current liabilities. It is calculated by summing cash, marketable securities, and net accounts receivable, then dividing the total by current liabilities, providing a conservative view of the enterprise's immediate financial solvency.

18. (C) (I) and (III) only
Proposed amendments to the MSMED Act in 2015 focused on modernizing the regulatory framework to reflect economic changes. Key objectives included enhancing investment limits for plant and machinery to account for inflation and shifts in the price index. Furthermore, the amendments sought to empower the Central Government to revise these limits through notification, ensuring the definitions remains relevant.

19. (D) Market penetration, expansion, and diversification.
Excessive reliance on a small customer base creates significant vulnerability for any enterprise. To mitigate this risk, businesses must implement strategic initiatives focused on growth and stability. Effective strategies include deepening market penetration, expanding into new geographic areas, and diversifying the product range. These actions reduce revenue sensitivity by spreading risk across a broader and more varied customer portfolio.

20. (A) 93.0% of the establishments were seasonal in nature.
Analysis of the Sixth Economic Census highlights diverse employment and operational characteristics among establishments. While manufacturing and retail trade were significant employers and the livestock sector provided substantial livelihoods, the claim regarding seasonality is incorrect. Most establishments in India operate on a perennial basis rather than a seasonal one, maintaining consistent employment and economic activity throughout the calendar year.

21. (C) $d = 1 / (1 + r)^n$
Discounting is a fundamental concept in finance used to determine the present value of future cash flows. It accounts for the time value of money by reducing the value of future amounts. The standard mathematical formula for calculating the discount factor involves dividing one by the sum of one plus the interest rate, raised to the power of time.

22. (B) Manufacturing: ₹ 5 crores | Service: ₹ 2 crores
Under the original MSMED Act of 2006, classification thresholds differed for manufacturing and service sectors. For an enterprise to be categorized as small, its investment in plant and machinery could not exceed five crore rupees in the manufacturing sector. For service-based enterprises, the investment in equipment was capped at a lower ceiling of two crore rupees for the same category.

23. (A) P-4, Q-1, R-2, S-3
Economic sectors contribute varying proportions to the total number of establishments in the country. Data indicates that the tertiary sector accounts for the largest share at over fifty-seven percent. The primary sector represents roughly twenty-two percent, while the secondary sector contributes nearly twenty percent. Mining and quarrying activities, within the primary sector, represent a very small fraction of establishments.

24. (A) P-4, Q-3, R-1, S-2
Financial ratios provide specific insights into operational efficiency. The inventory turnover ratio identifies if resources are wasted on storage, while accounts receivable turnover indicates the time taken to receive payments. Debtors turnover measures the conversion of credit sales into cash. Finally, the ratio of sales to marketing expenses evaluates marketing efficiency, which should ideally remain stable as sales grow.

25. (B) (II) only
Business finance encompasses more than just the funds required for fixed asset acquisition; it covers the total capital needed for all aspects of an enterprise's operations. Periodically, enterprises must secure additional funding to facilitate modernization and technological upgradation. Such investments are essential for maintaining competitiveness and efficiency, allowing the unit to adapt to evolving market demands and industry standards.

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9. (B) The bank must evaluate whether the products or services offered match with market requirements.
During the appraisal of credit proposals, financial institutions must thoroughly investigate the marketability of an enterprise's offerings. It is crucial to determine whether the specific products or services provided align with current market demands and customer needs. Ensuring this alignment helps the lender assess the likelihood of sustained revenue generation and the enterprise's overall competitive positioning.

10. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The Micro, Small and Medium Enterprises Development Act introduced a significant terminology change by replacing the word industry with enterprise. This modification was intentional, aiming to broaden the scope of the legislation. By using the term enterprise, the legal framework could effectively encompass and provide recognition to both the manufacturing and the increasingly important service sector establishments.

11. (C) Zero
Net Present Value serves as a fundamental metric for assessing the financial feasibility of a project. It is calculated by determining the difference between the present value of future cash inflows and the initial investment. When the discounted sum of all future cash flows is exactly equal to the cost of the initial investment, the resulting value is zero.

12. (C) To address long-pending demands and mitigate fears of losing concessions that discouraged growth.
The 2020 revision of MSME definitions aimed to stimulate industrial growth and modernization. Many small enterprises previously avoided expansion to maintain their status and associated benefits. By increasing the thresholds for investment and turnover, the government addressed these concerns, allowing businesses to scale up their operations and improve efficiency without the fear of losing critical regulatory concessions.

13. (A) For meeting daily expenses such as paying wages and purchasing necessary raw materials.
Enterprises require different types of financial support depending on their operational needs. Working capital specifically facilitates the management of day-to-day business activities. This form of funding is essential for covering short-term obligations, such as the payment of staff wages, the purchase of raw materials, and other immediate expenses required to maintain the continuous cycle of production and sales.

14. (C) 59.48% of establishments were in rural areas and 40.52% in urban areas.
Geographic analysis from the Sixth Economic Census reveals the spatial distribution of establishments across India. The data shows that nearly sixty percent of these establishments are located in rural areas. This concentration highlights the importance of the rural economy. Meanwhile, the remaining forty percent of establishments operate within urban regions, contributing to the diverse economic landscape of the country.

15. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The Quick Ratio is recognized as a more rigorous test of short-term liquidity compared to the Current Ratio. By excluding inventory, which may not be easily convertible into cash, it focuses on highly liquid assets like cash and receivables. This provides a clearer picture of whether an enterprise can meet its immediate liabilities using only its most liquid resources.

16. (A) October 2, 2006
The Micro, Small and Medium Enterprises Development Act represents a landmark piece of legislation in India. Although the Parliament passed the act in June 2006, it was officially brought into force several months later. The effective date for the implementation of this comprehensive legal framework, which governs the MSME sector, was established as the second of October, 2006.

17. (A) (Cash + Marketable Securities + Net Accounts Receivable) ÷ Current Liabilities
Liquidity ratios are used by lenders to evaluate a borrower's ability to settle short-term

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in the specific needs of local industrial clusters. This specialization leads to more effective appraisal, better customer service, and a deeper understanding of the unique challenges faced by MSMEs.

35. (C) Both (I) and (II)
Effective post-sanction monitoring is crucial for the health of bank credit. Banks must conduct regular field visits and inspections to verify that borrowing units maintain the required stock levels and that their business activities align with the original project plans. These follow-up actions ensure that the funds are utilized correctly and that any potential operational issues are identified early.

36. (A) Marginal Cost of fund-based Lending Rates (MCLR)
As part of financial sector reforms, the Reserve Bank of India introduced the Marginal Cost of Funds-based Lending Rate system effective from April 2016. This internal benchmark was designed to improve the transparency of interest rate settings by banks and ensure more efficient transmission of monetary policy. All new bank advances granted after this date must be linked to this benchmark.

37. (A) P-2, Q-1, R-3, S-4
Financial viability is measured using several key indicators. Net Present Value shows the absolute wealth created, while the Benefit-Cost Ratio indicates viability if it exceeds one. The Internal Rate of Return is the discount rate where NPV is zero. Finally, the Debt Service Coverage Ratio measures the project's ability to repay debt, with values between 1.5 and 2 typically considered healthy.

38. (A) P-2, Q-3, R-4, S-1
Various specialized institutions support the MSME sector through distinct functions. ISTSL facilitates global technology acquisition, while SMERA provides dedicated credit ratings for small firms. ISARC focuses on the speedier resolution of non-performing assets within the segment. Additionally, STCL serves as the trustee for national venture funds aimed at the software and technology industries, ensuring targeted financial management.

39. (D) (I), (II), (III), and (IV)
SIDBI Venture Capital Limited is a wholly owned subsidiary of SIDBI, established in 1999. It operates as an investment management firm focusing on startups and early-stage enterprises in technology and manufacturing sectors. The company identifies and supports ethical leadership teams that execute innovative business models, providing essential equity-related funding and strategic guidance to help these small businesses scale effectively.

40. (D) (I), (II), (III), and (V)
Environmental appraisal is a critical component of modern project evaluation. The Central Pollution Control Board ensures the implementation of environmental protection laws, while Environmental Impact Assessment predicts how development affects the natural surroundings. Furthermore, regulatory directives from the Reserve Bank of India instruct financial institutions to restrict credit to industrial activities that cause significant damage to the environment and ecosystems.

41. (B) Not mandatory, but encouraged to help in credit pricing and enhance lender comfort levels.
The Reserve Bank of India does not mandate credit ratings for all micro, small, and medium enterprises. Instead, the policy encourages units to seek ratings voluntarily. This approach helps banks in the risk-based pricing of loans and provides lenders with a standardized assessment of the borrower's creditworthiness, potentially leading to more favourable terms for well-rated small business units.

42. (C) It is traditionally conducted routinely in banks for all MSME loan proposals.
Economic appraisal evaluates a project's impact on national welfare and is typically reserved for large-scale investments like major dams or industrial projects. While international agencies like the World Bank often use this method for massive development initiatives, it is not a routine part of standard bank appraisals for typical MSME loans. Standard bank appraisals focus more on individual financial and technical viability.

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60. (B) A ₹ 10,000 crore fund providing soft loans as quasi-equity to meet debt-equity ratio needs.
The SIDBI Make in India Soft Loan Fund for MSMEs, known as SMILE, was established with a corpus of ten thousand crore rupees. It focuses on providing soft loans in the nature of quasi-equity. This specialized financial support helps MSMEs meet the required debt-equity ratios for their projects, facilitating smoother access to additional term loans and supporting the broader national manufacturing initiative.

61. (C) New Portal: Udyam | Registration without PAN permitted up to: 31 March, 2021
The transition to the Udyam registration portal marked a significant step in simplifying MSME documentation. To facilitate this shift, the government provided a transitional period during which enterprises could register without a Permanent Account Number. This flexibility was permitted until the end of March 2021, after which PAN became a mandatory requirement for completing the registration process on the new portal.

62. (A) The scheme completely bars the setting up of Common Facility Centres (CFCs) for raw material depots or effluent treatment.
The Micro and Small Enterprises – Cluster Development Program is designed to enhance the productivity and competitiveness of industrial clusters. It actively supports both soft interventions, like capacity building, and hard interventions. A major component of the scheme involves setting up Common Facility Centres, which provide essential shared resources such as testing labs, training centres, and effluent treatment plants for the cluster.

63. (B) 1 to 6 weeks
Rural Self Employment Training Institutes play a vital role in developing entrepreneurial skills among rural youth. These institutes offer a variety of short-term, intensive training programs designed to help individuals start their own businesses. The standard duration for these skill upgradation and entrepreneurship programs ranges from one to six weeks, providing focused practical knowledge within a relatively short timeframe.

64. (C) Multiplicity of labour laws and complicated procedures
Indian MSMEs face several operational hurdles that impede their efficiency and growth. A significant conceptual issue is the existence of multiple labour laws and highly complex compliance procedures. These regulatory burdens create high administrative costs and operational difficulties for small business owners, often distracting them from core business activities and limiting their ability to compete effectively in the modern market.

65. (A) P-2, Q-3, R-1, S-4
Financial support for clusters varies based on their size and significance. Heritage clusters can receive up to eight crore rupees, while major clusters are eligible for up to three crore rupees. Mini clusters have a budget limit of one and a half crore rupees. Additionally, support for Livelihood Business Incubators under certain national organizations is capped at one crore rupees per cluster.

66. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
To address the persistent problem of delayed payments to small businesses, the RBI has issued specific directives for large corporate borrowers. Banks must establish separate sub-limits within the working capital facilities of large corporates to ensure they fulfill their payment obligations to MSE suppliers. This mechanism helps maintain the cash flow of smaller units by mandating timely settlements from their larger clients.

67. (A) (I), (II), (III), and (IV)
Guidelines for streamlining credit flow to the micro and small enterprise sector include several supportive measures. These involve providing standby credit for term loans, offering additional working capital for emergent needs, and conducting mid-term reviews of credit limits. Furthermore, establishing fixed timelines for credit decisions ensures that small business owners receive timely responses, which is critical for their operational planning.

68. (B) (I), (II), and (III) only
India has three primary national-level institutes dedicated to entrepreneurship development:

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lakh rupees must be provided without collateral security. Banks are encouraged to extend this collateral-free limit up to twenty-five lakh rupees for borrowers who demonstrate a good track record. This policy aims to facilitate easier access to formal credit for small entrepreneurs without assets.

52. (D) Scenario Analysis
Scenario analysis is a forward-looking technique used to evaluate how different potential events could impact an enterprise's business value or cash flows. By considering various combinations of favourable and unfavourable circumstances, analysts can prepare for a range of possibilities. This method provides a more comprehensive view of potential future performance than analyzing single variables in isolation, aiding better strategic planning.

53. (C) Under the MPBF 2nd method, the assessment is computed exclusively on a minimum of 20% of estimated turnover.
Working capital assessment methods vary depending on the loan amount and bank policy. While the turnover method uses a simplified calculation based on twenty percent of estimated turnover for smaller limits, the Maximum Permissible Bank Finance method involves a more detailed analysis of current assets and liabilities. The two methods are distinct and are applied based on the borrower's total credit requirements.

54. (C) MSMEs rendering services as defined by investment in equipment under the MSMED Act, 2006.
For bank lending to be classified under priority sector advances, the borrower must meet specific definitions established by law. In the service sector, enterprises are recognized based on their investment in equipment as defined in the MSMED Act. This ensures that financial support is targeted towards genuine small-scale service providers, helping banks meet their regulatory obligations while supporting sectoral growth.

55. (A) Unlocking idle NPA assets for productive use and speedier resolution of MSME NPAs.
The India SME Asset Reconstruction Company Limited was established to address the challenge of distressed assets in the MSME sector. Its primary objective is to acquire non-performing assets from banks and financial institutions, facilitating their speedier resolution. By unlocking these idle assets, the company helps return productive resources to the economy and cleans up the balance sheets of lenders.

56. (D) Assertion (A) is false, but Reason (R) is true.
The Debt-Equity ratio is a key measure of an enterprise's financial leverage, comparing total debt to the value of net assets. A high ratio indicates aggressive debt-based financing, while a low ratio suggests a more conservative approach with greater reliance on internal equity. Therefore, a low ratio does not signal aggressive borrowing; it indicates a lower financial risk profile for the unit.

57. (A) (I) only
To simplify credit access for small entrepreneurs, banks can provide a composite loan limit up to one crore rupees. This single-window facility covers both term loan and working capital requirements simultaneously. Banks are also encouraged to sanction working capital limits along with term loans to ensure that units have sufficient operational funds ready as soon as production or business activities commence.

58. (A) Turnover method based on minimum 20% of their estimated turnover
For MSME units requiring aggregate fund-based working capital limits up to five crore rupees, banks generally employ the turnover method for assessment. This simplified approach calculates the working capital requirement as twenty percent of the unit's estimated annual turnover. This method is designed to expedite the credit delivery process for smaller enterprises by reducing the complexity of the financial appraisal.

59. (C) RXIL
Receivables Exchange of India Limited is a joint venture between SIDBI and the National Stock Exchange. It began operations in early 2017 as a licensed platform for the Trade Receivables Discounting System. The platform enables MSMEs to auction their trade invoices to multiple financiers, ensuring transparency and providing quick access to liquidity by mitigating the problem of delayed payments.

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77. (D) The guarantee covers 50% of the amount in default subject to a maximum of ₹ 50 lakhs.
While the CGTMSE provides extensive coverage for many micro and small enterprises, retail trade activities are subject to specific limitations. For this category, the guarantee cover is restricted to fifty percent of the amount in default. Additionally, there is a maximum monetary cap of fifty lakh rupees on the guarantee provided, which is lower than the cover available for manufacturing.

78. (D) Livelihood Business Incubators (LBI)
ASPIRE is a government scheme focused on promoting innovation and rural entrepreneurship. A central part of its strategy is the establishment of Livelihood Business Incubators. These facilities, often set up by organizations like NSIC or KVIC, provide the necessary infrastructure and support for developing new business models, particularly those relevant to the agricultural sector and rural economic development.

79. (B) (I), (II), (III), and (IV)
Significant enhancements were made to the Credit Guarantee Fund Scheme in 2017 to expand its impact. These changes included increasing the guarantee cover for individual borrowers to two hundred lakh rupees and boosting the Trust's corpus to seven thousand five hundred crore rupees. Furthermore, the scheme's scope was widened to include Small Finance Banks and Scheduled Urban Co-operative Banks.

80. (C) Both (I) and (II)
The Assistance to Training Institutions Scheme provides financial support for strengthening entrepreneurial infrastructure. Generally, the maximum assistance is one hundred fifty lakh rupees, covering up to fifty percent of the project cost. However, for specific regions like the North East, Andaman and Nicobar, and Lakshadweep, the assistance is more generous, reaching up to two hundred seventy lakh rupees or ninety percent.

81. (C) Within a period of ninety days from the date of making the reference.
Section 18 of the MSMED Act outlines the procedures for resolving disputes related to delayed payments through the Facilitation Council. When a reference is made regarding such a dispute, the Council is required to act within a specific legal timeframe. The act mandates that every reference must be decided within ninety days from the date the reference was originally made.

82. (A) The external benchmark system allows banks to fix their interest rates independently without reference to any market index.
The external benchmark system was introduced to replace internal benchmarks like MCLR for specific loan categories, including those for micro and small enterprises. Under this system, banks must link their floating interest rates to an objective, market-driven index, such as the Repo rate. This prevents banks from setting rates entirely independently and ensures that changes in central bank policy are transmitted.

83. (D) The scheme reimburses 100% of the fees, subject to a maximum of ₹ 1,50,000.
To improve the competitiveness of small enterprises, the government offers a reimbursement scheme for obtaining international quality certifications like ISO 9000 or ISO 14001. Eligible micro and small units can claim a refund for the costs incurred during the certification process. However, the scheme typically reimburses seventy-five percent of the fees paid, up to a maximum limit of seventy-five thousand rupees.

84. (B) Maximum of ₹ 40 lakhs
The Credit Guarantee Fund Trust provides enhanced support for specific priority segments, including women entrepreneurs and units located in the North Eastern Region. For credit facilities up to fifty lakh rupees in these categories, the guarantee cover is set at eighty percent. Consequently, the maximum monetary cap on the guarantee for such a facility is calculated as forty lakh rupees.

85. (C) 'National Mission for Capacity Building of Bankers for Financing the MSME Sector' for sensitivity.
NAMCABS is an initiative launched by the Reserve Bank of India to improve the ecosystem for MSME financing. The acronym stands for the National Mission for Capacity Building of Bankers. Its primary goal is to sensitize bank officials and enhance their technical skills in

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NIMSME in Hyderabad, NIESBUD in Noida, and IIE in Guwahati. These autonomous societies focus on training, research, and consultancy to promote entrepreneurship. While they play a crucial role in skill development and capacity building, their primary function is educational and developmental rather than providing direct working capital financing to enterprises.

69. (A) P-3, Q-1, R-2, S-4
The Credit Guarantee Fund Trust provides varying levels of cover based on the borrower category. Micro enterprises with loans up to five lakh rupees receive eighty-five percent cover. For those above five lakhs and up to fifty lakhs, the cover is seventy-five percent. Women entrepreneurs and units in the North East receive eighty percent cover, while retail trade units are covered at fifty percent.

70. (B) SPV
The Lean Manufacturing Competitiveness Scheme utilizes a tiered implementation structure to improve efficiency among MSMEs. At the local level, a group of approximately ten units forms a Special Purpose Vehicle. This entity acts as the primary group for implementing lean techniques and collectively addressing operational waste. This collaborative approach allows small units to share costs and benefits while improving their overall production quality.

71. (A) The application shall be entertained by any court even if no deposit is made, provided the buyer is a PSU.
Under the MSMED Act, the appeal process against an award by the Facilitation Council is strictly regulated to protect suppliers. Any appellant seeking to set aside a decree must deposit seventy-five percent of the awarded amount with the court. This mandatory requirement applies to all buyers, including public sector undertakings, ensuring that the legal process is not used simply to delay payments.

72. (A) P-3, Q-1, R-2, S-4
The Reserve Bank has implemented several measures to support MSME credit. These include allowing bank credit for on-lending through NBFCs up to twenty lakh rupees and introducing one-time restructuring for accounts in default. Other initiatives involve CRR exemptions for incremental MSME loans and the mandatory linking of new floating-rate loans to external benchmarks to ensure better interest rate transmission.

73. (B) 15% upfront capital subsidy up to a maximum cap of ₹ 15.00 lakhs
The Credit Linked Capital Subsidy scheme facilitates technological upgradation in the micro and small enterprise sector. Under this initiative, eligible units can receive an upfront capital subsidy of fifteen percent for investing in well-defined improved technologies. This subsidy is calculated based on the purchase price of the machinery, subject to a maximum absolute limit of fifteen lakh rupees per unit.

74. (B) Up to ₹ 2.00 lakh
The Coir Vikas Yojana promotes the development of the coir industry, particularly focusing on exports. A key component of this scheme is providing financial assistance to exporters for participating in international trade fairs and exhibitions. Eligible entrepreneurs can receive travel assistance up to a maximum of two lakh rupees, helping them explore global markets and establish valuable international business connections.

75. (D) Compound interest with monthly rests at three times the Bank Rate notified by the RBI.
The MSMED Act provides strong legal protection to small suppliers against delayed payments. If a buyer fails to pay within forty-five days, they are legally obligated to pay a significant penalty. This penalty consists of compound interest calculated with monthly rests. The rate of interest is mandated to be three times the Bank Rate as notified by the Reserve Bank of India.

76. (D) Institutions or individuals registered with SIDBI who help MSMEs with project reports.
Certified Credit Counsellors are specialized professionals or institutions registered with SIDBI to support the MSME sector. Their primary role is to assist small entrepreneurs in preparing comprehensive project reports and financial proposals. By improving the quality of loan applications and business plans, these counsellors bridge the information gap between small businesses and lenders, thereby facilitating smoother credit delivery.

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94. (C) Setting up new heavy-machinery factories for large corporates (investments > ₹ 500 crore).
The Credit Linked Capital Subsidy scheme is specifically designed to support the modernization of micro and small enterprises. Its scope includes installing improved packaging, anti-pollution measures, and quality control systems. Large-scale industrial projects with massive investments, such as those exceeding five hundred crore rupees, fall outside the mandate of this scheme, as it is strictly targeted toward the MSE sector's technological needs.

95. (C) 1, 3/4, 2
Resolving stressed MSME accounts involves a structured chronological process. First, the Committee must decide on the appropriate corrective action within thirty days of its first meeting. Next, the specific terms of restructuring are finalized within twenty or thirty working days, depending on the exposure amount. Finally, the Committee is required to convey its final decision to the enterprise within five working days.

96. (A) P-2, Q-1, R-4, S-3
Financial and technical parameters provide different insights during appraisal. The Quick Ratio measures liquidity using only the most liquid assets. The average age of debtors reflects the efficiency of the sales and distribution channel. NPV represents the wealth created by a project using discounted cash flows. Finally, a Techno-Economic Viability study is essential for finalizing restructuring terms for stressed loan accounts.

97. (C) Both (I) and (II)
The MSMED Act mandates that State Governments establish Facilitation Councils to handle disputes regarding delayed payments to small suppliers. These councils serve as a legal forum for arbitration and conciliation. By law, the council is chaired by the Director of Industries of the respective State or Union Territory, ensuring administrative oversight and authority in the dispute resolution process.

98. (A) The majority is defined strictly as 50% by value and 75% by number of the creditors.
In the Committee for Stressed MSMEs, decisions are made based on the consensus of creditors. For a decision to be binding on all lenders, it must be supported by a specific majority. Under current guidelines, this majority is defined as seventy-five percent by the value of the debt and sixty percent by the number of creditors, rather than the percentages mentioned in the incorrect statement.

99. (A) P-3, Q-1, R-2, S-4
Special Mention Account categories are used to track the level of stress in loan accounts before they become non-performing. SMA-0 accounts show signs of incipient stress but are not yet overdue for thirty days. SMA-1 indicates payments overdue between thirty-one and sixty days, while SMA-2 covers the sixty-one to ninety-day range. Once an account exceeds ninety days overdue, it is classified as an NPA.

100. (C) The Chief Executive Officer (CEO) of the rival competing enterprise in the same cluster.
The Committee for Stressed MSMEs has a clearly defined composition to ensure professional and fair evaluation. It typically includes the regional head of the bank, the officer-in-charge of the MSME department, and an independent external expert. Representatives from rival competing businesses are strictly excluded from the committee to prevent conflicts of interest and protect the confidential financial information of the stressed enterprise.

101. (A) (I), (II), and (III) only
Delayed payment provisions under the MSMED Act require buyers to pay within forty-five days of accepting goods or services. Failure to do so triggers a liability for compound interest at three times the RBI Bank Rate. While these rules are strict, the requirement for an appeal deposit is seventy-five percent of the award amount, not the fifty percent mentioned in alternative options.

102. (A) Corporate Debt Restructuring (CDR) or Joint Lenders' Forum (JLF) mechanism.
RBI guidelines for the revival and rehabilitation of MSMEs are designed for smaller loan exposures. For larger MSME accounts that exceed these specific limits, different regulatory mechanisms apply. These larger stressed accounts are governed by more complex frameworks, such as Corporate Debt Restructuring or the Joint Lenders' Forum, which are equipped to handle the intricacies of high-value debt across multiple creditors.

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appraising and managing MSME loans, thereby ensuring a more supportive and informed approach to financing the sector.

86. (B) (I) and (III) only
The U.K. Sinha Committee on MSMEs provided a wide range of recommendations to strengthen the sector. These included suggestions for legislative reforms, infrastructure improvements, and better technological support. The committee also emphasized the importance of improving financial support from formal banking sources and strengthening both backward and forward linkages to help small businesses integrate more effectively into the broader economy.

87. (B) (I) and (III) only
Indian MSMEs face several persistent constraints that limit their growth potential. Major challenges include a lack of adequate infrastructure and limited access to global markets. Additionally, many units struggle with the procurement of essential raw materials at competitive prices. Unlike large firms, these small enterprises do not generally face an excess of equity capital, but rather a shortage of formal funding.

88. (B) SPV
Under the Lean Manufacturing Competitiveness Scheme, a collaborative structure is used to drive efficiency. Small groups of around ten MSMEs form a Special Purpose Vehicle at the local level. This SPV works with specialized consultants to identify and eliminate various types of manufacturing waste. This group-based model makes advanced lean techniques accessible and affordable for individual small-scale units.

89. (B) 85% of the amount in default subject to a maximum of ₹ 3.40 lakhs
For micro enterprises availing small loans up to five lakh rupees, the Credit Guarantee Fund Trust offers a higher level of protection. In this scenario, for a four lakh rupee loan, the guarantee cover is eighty-five percent of the amount in default. This results in a maximum guarantee cover of three point four zero lakh rupees for the lending institution.

90. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
The Coir Udyami Yojana targets specific priority groups, including women and those in the North Eastern Region, for the development of coir units. The financial structure of the scheme involves a forty percent subsidy and a fifty-five percent bank loan. While both statements regarding the priority categories and the funding ratios are factually correct, the funding structure itself does not explain why those specific groups are prioritized.

91. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
For stressed MSME accounts with aggregate limits below ten lakh rupees, the responsibility for deciding a Corrective Action Plan rests with the branch. This policy is designed to empower local bank officials to make quick decisions regarding recovery or rectification. By avoiding a referral to a higher-level committee for small amounts, the process remains efficient and ensures a faster resolution for micro-borrowers.

92. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Once an MSME loan is restructured, the designated committee must conduct periodic reviews to monitor the borrower's progress. These reviews track whether the enterprise is meeting specific viability milestones. This oversight ensures that if the recovery plan fails, lenders can take alternative measures. It also reinforces the principle that promoters must demonstrate commitment, as they are expected to bear the initial losses.

93. (B) ₹ 40,000
The Performance and Credit Rating Scheme provides financial assistance to MSMEs for obtaining credit ratings. The scheme subsidizes seventy-five percent of the rating fee, but this is subject to a maximum absolute cap. For a rating fee of sixty thousand rupees, seventy-five percent would be forty-five thousand; however, because the subsidy is capped at forty thousand rupees, the enterprise receives that amount.

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43. (B) PMMY : Scheme prescribing a strict minimum loan amount for non-corporate micro enterprises
Various government initiatives target MSME growth through different mechanisms. MUDRA provides refinancing for small loans, while TReDS facilitates the discounting of trade receivables. SVCL manages venture capital funds for technology-based businesses. However, the Pradhan Mantri Mudra Yojana does not prescribe a minimum loan amount; it only sets a maximum limit of ten lakh rupees to ensure broad accessibility.

44. (D) Two years of profit, net worth $\geq$ ₹ 50 crore, CRAR $\geq$ 9%, and net NPAs $\leq$ 10%.
Financial institutions seeking refinance from SIDBI under the Micro and Small Enterprises Refinance Scheme must adhere to specific eligibility criteria. These institutions are required to have a consistent profit record for at least two years and maintain a net worth of fifty crore rupees or more. Additionally, they must meet minimum capital adequacy requirements and keep their net non-performing assets low.

45. (C) Increase in monitoring costs for the lending institutions
The cluster-based approach to lending offers several advantages for financial institutions and small enterprises alike. It allows lenders to deal with recognized groups and access better information for risk assessment, which ultimately reduces transaction costs. Contrary to increasing costs, this method streamlines monitoring and supervision by focusing on a concentrated group of borrowers with similar business profiles and requirements.

46. (B) Viability is achieved when IRR exceeds the entrepreneur's acceptable rate and opportunity cost.
The Internal Rate of Return is a critical tool for determining the financial attractiveness of a project. Conceptually, a project is considered viable if its internal rate of return is greater than the entrepreneur's required rate of return or the cost of capital. This ensures that the investment generates enough returns to compensate for the risks and the alternative uses of funds.

47. (B) 20% growth in credit, 10% growth in micro accounts, and 60% of MSE lending to micro enterprises.
To ensure adequate credit flow to the micro and small enterprise sector, specific targets are set for banks. These mandates include achieving a twenty percent annual growth in credit to the sector and a ten percent growth in the number of micro enterprise accounts. Furthermore, sixty percent of total lending to the MSE sector must be specifically directed toward micro enterprises.

48. (B) Social appraisal evaluates distributional effects on parties, such as farmers displaced by projects.
Social or distributive appraisal goes beyond standard economic analysis by examining how a project's costs and benefits are distributed among various groups. This is particularly relevant for projects that may displace local communities, such as farmers. Even if a project appears financially weak, a government might proceed if the social benefits, like essential service provision, outweigh the negative financial impacts.

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49. (A) Loans are strictly restricted to the funded category, disallowing non-funded categories to prevent misuse.
MUDRA loans offer several benefits to micro-enterprises, including the absence of collateral requirements and processing fees. A key feature of the scheme is its flexibility; it is not restricted to funded credit. Borrowers can access both funded facilities, like term loans and overdrafts, as well as non-funded facilities, such as letters of credit and bank guarantees, to support their operations.

50. (D) Within 15 days from the date of sanction
Under the Micro and Small Enterprises Refinance Scheme, once SIDBI has sanctioned a loan to a scheduled commercial bank, the funds must be utilized promptly. The standard operational guidelines require that the entire sanctioned loan amount be drawn by the bank within fifteen days. This ensures that the refinancing support reaches the banking system and the end borrowers efficiently.

51. (B) Mandated not to accept collateral up to ₹ 10 lakh; extendable up to ₹ 25 lakh.
Current banking regulations mandate that loans to the micro and small enterprise sector up to ten

103. (B) Restructuring can be considered based on viability, without prejudice to criminal action.
In cases involving fraud or malfeasance, restructuring is generally prohibited. However, if the entire erstwhile management and promoters are replaced, the Committee may consider a restructuring plan for the borrower company. This decision is based on the long-term viability of the business under the new management and does not affect any ongoing criminal proceedings against the previous individuals involved.

104. (D) Rectification
Under the Corrective Action Plan, rectification is an option when the borrower can demonstrate that the account will be regularized through identifiable cash flows. This path is chosen when the account can be pulled out of stress without the lenders having to make any financial sacrifices or concessions. It focuses on corrective operational measures that allow the borrower to meet original repayment terms.

105. (C) Simplifies computation based on 20% of estimated turnover, expediting credit delivery.
The turnover method is a standardized approach used for assessing working capital for smaller loan limits. Its primary rationale is to simplify the complex financial calculations traditionally required for business loans. By using a straightforward percentage of estimated turnover, banks can significantly speed up the credit delivery process, ensuring that small enterprises receive necessary operational funds with minimal administrative delay.

106. (B) National Small Industries Corporation (NSIC) Limited
The Performance and Credit Rating Scheme was introduced to help MSMEs understand their strengths and weaknesses. The National Small Industries Corporation is the designated agency responsible for implementing this scheme. By facilitating third-party ratings from empanelled agencies, NSIC helps small businesses present a credible financial profile to lenders, which can lead to better credit terms and increased market confidence.

107. (A) Willful default or involvement in fraud or malfeasance.
Restructuring is a supportive mechanism intended for honest borrowers facing genuine business difficulties. Consequently, any borrower classified as a willful defaulter or found involved in fraud is explicitly rendered ineligible for restructuring under the standard framework. Such cases are typically directed toward recovery or legal action, unless a complete change in management and promoter ownership is successfully executed.

108. (A) All banks with MSME exposure must form a Committee at District or Regional levels.
To manage stressed assets in the MSME sector effectively, all banks with exposure to these units are required to constitute dedicated committees. These committees operate at the district or regional levels, depending on the bank's organizational structure. Their role is to evaluate stressed accounts and decide on the most appropriate corrective action plan, ensuring a localized and responsive approach to borrower distress.

109. (D) Trademarks or legal issues
During the appraisal of an MSME loan proposal, bankers must look beyond financial statements to identify potential legal risks. Analyzing whether an enterprise needs to protect its innovations or brand identity through intellectual property rights is a crucial part of this process. This includes verifying the status of trademarks, patents, and any other legal issues that could affect the enterprise's long-term operations.

110. (B) (I), (II), (III), (IV), and (V)
The implementation of a Corrective Action Plan follows strict timelines and requirements. Rectification must be completed within thirty days, while restructuring allows for ninety days. Recovery measures should start immediately if chosen. Restructuring also necessitates a Techno-Economic Viability study and a commitment from promoters to provide personal guarantees, ensuring they remain accountable for the success of the revival plan.

111. (B) (I) and (II) only
The Banking Codes and Standards Board of India developed the Code of Bank's Commitment to

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Micro and Small Enterprises. This code establishes the minimum service standards that banks must follow when dealing with MSEs. While it aims to improve transparency and fairness, it does not remove the bank's fundamental responsibility to assess the financial viability of an enterprise before granting credit.

112. (A) P-3, Q-1, R-2, S-4
Loan accounts are categorized by their overdue status to identify early signs of stress. SMA-0 represents accounts with incipient stress but no significant overdue. SMA-1 is for those overdue by thirty-one to sixty days, and SMA-2 for those between sixty-one and ninety days. If the overdue persists beyond ninety days, the account is reclassified from a Special Mention Account to a non-performing asset.

113. (A) 2, 1, 3, 4
The revival process for a stressed MSME follows a specific sequence. Once an application is filed, the Committee must notify the enterprise within five working days. The enterprise then has the opportunity to respond or make a representation. Subsequently, the enterprise is required to disclose all its liabilities within fifteen working days, followed by the Committee notifying statutory creditors to verify those liabilities.

114. (B) Medium: Up to ₹ 10 crores
Prior to the 2020 definition change, service enterprises had lower investment thresholds than manufacturing firms. For service units, the micro category was up to ten lakh rupees and the small category was up to two crore rupees. The ceiling for medium service enterprises was set at five crore rupees. Therefore, a ten-crore limit for medium service enterprises is an incorrect threshold for that period.

115. (D) Standard, SMA, or Sub-Standard accounts reported by one or more lenders.
The revival and rehabilitation framework is designed to intervene before an enterprise's financial situation becomes irreparable. As such, accounts that are still classified as standard but show stress, as well as those already categorized as special mention or sub-standard, are eligible for consideration by the Committee. This broad eligibility allows for proactive restructuring to help potentially viable businesses recover and maintain their operations.

116. (A) P-4, Q-1, R-2, S-3
The Performance and Credit Rating Scheme involves several key players and rules. NSIC is the implementing body, while agencies like CRISIL and CARE provide the actual ratings. The government subsidizes seventy-five percent of the rating fee for eligible micro enterprises. However, this financial support is subject to a maximum absolute limit of forty thousand rupees for the first year of rating.

117. (D) Predicting consequences to the natural environment and seeking State PCB clearances.
Environmental Impact Assessment is a process used during project appraisal to predict the potential effects of a proposed business on the surrounding natural environment. It helps identify necessary mitigation measures and ensure compliance with environmental laws. A key practical requirement of this assessment is obtaining the necessary clearances and consents from the relevant State Pollution Control Board before starting operations.

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118. (C) (I), (II), (III), and (IV)
Special Mention Account sub-categories track the progression of debt stress. SMA-0 indicates incipient stress, while SMA-1 and SMA-2 track longer overdue periods of up to sixty and ninety days, respectively. While accounts above ten lakh rupees in SMA-2 must be referred to the Committee, smaller accounts are not ignored. They are evaluated at the branch level for appropriate corrective action plans.

119. (A) 89.39% of the establishments were owned by proprietors.
The Sixth Economic Census highlighted the highly individualized nature of Indian businesses. The data revealed that the vast majority of establishments, nearly ninety percent, were owned and managed by individual proprietors. This high percentage of proprietary ownership underscores the importance of individual entrepreneurship in the Indian economy and the predominantly small-scale nature of the country's diverse business landscape.

120. (A) Funding the day-to-day payroll of large multinational corporate offices
The ASPIRE scheme is specifically designed to promote innovation and rural entrepreneurship in sectors like agriculture. It funds initiatives such as agricultural automation, recycling of farm waste, and the development of value-added business models for rural areas. Providing funds for the daily payroll of large multinational corporations is entirely outside the scope and intent of this grassroots-focused economic development program.

121. (D) Trend is positive, indicating efficiency in the marketing function relative to sales.
In business analysis, the ratio of marketing expenses to sales is an indicator of marketing efficiency. If an enterprise sees rising sales while its marketing expense ratio is stable or falling slowly, it suggests that the marketing function is operating effectively. This trend implies that the business is successfully generating more revenue without requiring a disproportionate increase in its promotional spending.

122. (C) (I), (II), (III), and (IV)
Monitoring stress in MSME accounts involves classifying them into sub-categories based on overdue status. SMA-0, SMA-1, and SMA-2 represent increasing levels of risk. For accounts with total exposure exceeding ten lakh rupees, the branch must forward details to a higher committee. However, smaller accounts are also evaluated, but this assessment occurs directly at the branch level rather than through a committee referral.

123. (C) ASPIRE
Livelihood Business Incubators are a key part of the ASPIRE scheme, which was launched to foster entrepreneurship in agro-based and rural industries. These incubators provide the necessary training and facilities to transform innovative ideas into viable business models. By focusing on areas like agricultural automation and waste recycling, the scheme aims to create sustainable employment opportunities and drive economic growth at the grassroots level.

124. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Social appraisal evaluates projects based on their total impact on societal welfare rather than just financial profit. In certain cases, a project might be financially unviable but still worth pursuing because of the positive externalities it generates, such as providing essential services or improving livelihoods. Governments often choose to implement such projects if the social benefits are deemed to outweigh the negative financial returns.

125. (B) Trade Receivables Discounting System (TReDS)
The Trade Receivables Discounting System is an innovative electronic platform designed to solve the liquidity problems of MSMEs caused by delayed payments. By registering on this platform, small businesses can auction their trade invoices from corporate and government buyers to various financiers. This allows the MSME to receive immediate cash at competitive rates, without affecting the underlying commercial relationship with their clients.

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Oct/Nov 2007

60. Match the plantation crops in List I with their suggested spacing in List II:
List I: (Crops)
P. Arecanut
Q. Cashew nut
R. Coconut Plantation tall variety
S. Pomegranate
List II: (Spacing)
1. 7.5 m x 7.5 m
2. 7 m x 7 m
3. 4 m x 4 m or 5 m x 5 m
4. 2.75 m x 2.75 m
(A) P-4, Q-2, R-1, S-3
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-1, R-3, S-2

May/June 2025

61. In poultry farming, a system where birds are housed on a floor covered with 1-2 inches of paddy or wheat straw is defined as:
(A) Cage system
(B) Free range system
(C) Deep litter system
(D) Slatted floor system

Oct/Nov 2019

62. Consider the following statements about housing and management in goat farming:
I The shed should preferably be constructed on elevated land facing East-West.
II There should be a provision for a quarantine shed for keeping newly bought or sick animals.
III The bottom part of the slatted floor pit can be pucca for easy collection of dung and urine.
IV Goats must strictly be fed only dry fodder and concentrate mixture, avoiding any green fodder.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III) only
(B) (II), (III), and (IV) only
(C) (I), (III), and (IV) only
(D) (I), (II), (III), and (IV)

May/June 2009

63. Which of the following is NOT a prescribed specification parameter for the machinery used in Automatic Milk Collection stations?
(A) Ability to measure SNF content from 15% to 30% only.
(B) Fat measurements accuracy of 0.1%.
(C) Measuring capacity of 120-150 operations per hour.
(D) Power supply requirement of AC 230V or DC 12V.

Oct/Nov 2011

64. Match the category of sheep in List I with their standard concentrate feed per animal cost in ₹ in List II:
List I: (Category)
P. Ewe
Q. Ram
R. Male Lamb
S. Female Lamb
List II: (Cost in ₹)
1. 840.35
2. 789.95
3. 211.50
4. 211.50
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-1, R-3, S-4
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-3, R-2, S-1

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May/June 2010

65. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): A small unit for rearing improved indigenous broiler birds can be established using low-cost housing materials like wood, bamboo, and thatch.
Reason (R): Indigenous birds are more resistant to diseases and adverse climatic conditions compared to hybrid birds.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2024

66. Which of the following is NOT considered an eligible item of pond development for bank financing under pisciculture?
(A) Purchase of ocean-going trawlers for deep

and outputs (production) of real goods and services.
(C) It assesses the broader social implications of the proposed investments and income distribution.
(D) It involves estimating the financial effects of a proposed project on each of its participants.

Oct/Nov 2014

8. Consider the following statements regarding Minor Irrigation (MI) spacing norms:
I The required spacing between two dug-wells with or without a pump set is 150 m.
II The required spacing between two shallow tube-wells or filter points with pump sets is 175 m.
Which of the above statement(s) is/are correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

May/June 2019

9. Which of the following is NOT typically included in the calculation of water charges for a Lift Irrigation Society?
(A) Standard operation and recurring maintenance cost components.
(B) Land acquisition costs for individual farmer properties.
(C) Timely recovery of loan instalments with accrued interest.
(D) Planned recovery of equipment replacement cost estimates.

Oct/Nov 2006

10. A project analyst is planning an agricultural development scheme and realizes there is a gap in information regarding current farming methods and potential yields. Field trials are initiated locally to verify yields. This scenario primarily addresses which aspect of project preparation?
(A) Financial Aspects
(B) Economic Aspects
(C) Technical Aspects
(D) Social Aspects

May/June 2021

11. A farmer identifies that excessive accumulation of alkali salts is impairing plant growth. He decides to cultivate specific crops that can survive high salt concentrations. Which method of land reclamation is he applying?
(A) Chemical method
(B) Mechanical practice
(C) Hydrological method
(D) Cultural method

Oct/Nov 2010

12. Which of the following is NOT a recognized stage in the project cycle?
(A) Identification of Projects
(B) Preparation and Analysis of Projects
(C) Commercialization of Projects
(D) Appraisal of Projects

May/June 2005

13. A beneficiary applying for a dug well with a pump set has only 0.8 ha of irrigated area, which falls short of the required 1.0 ha. However, the beneficiary plans to sell surplus water to neighbouring farms. What maximum percentage of the loan repayment instalment can be reckoned from the guaranteed income from the sale of water?
(A) 25%
(B) 50%
(C) 75%
(D) 100%

Oct/Nov 2022

14. Match the aspects of project preparation in List I with their primary concerns in List II:
List I: (Aspects)
P. Technical Aspects
Q. Institutional Aspects
R. Commercial Aspects
S. Financial Aspects
List II: (Concerns)
1. Land tenure and local administrative structures
2. Farm budget and credit terms
3. Soils, water availability, and crop varieties
4. Marketing channels and supply of inputs
(A) P-3, Q-1, R-4, S-2
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-2, R-3, S-1

May/June 2018

15. Identify the incorrect pair regarding the methods of reclamation of alkali soils:
(A) Chemical method — Adding chemicals to the soil to bring alkalinity to desired level.

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(B) Mechanical practice — Improving drainage, leaching, and mechanical shattering of clay pans.
(C) Cultural method — Growing salt tolerant plants.
(D) Biological method — Constructing deep farm ponds to store surface runoff.

Oct/Nov 2016

16. In the context of economic aspects of project preparation, what is the conceptual treatment of taxes and subsidies?
(A) Taxes and subsidies are both treated as transfer payments.
(B) Taxes and subsidies are treated as direct operational costs of the firm.
(C) Taxes are costs to society and subsidies are simple transfer payments.
(D) Taxes and subsidies are entirely excluded from the economic analysis.

May/June 2014

17. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Minor Irrigation schemes should not be considered for implementation in critical blocks.
Reason (R): The ground water potential in critical blocks would have been fully exploited.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2007

18. Arrange the time periods within the implementation phase of the project cycle in the correct chronological order:
I. Full development
II. Investment period
III. Development period
(A) I, II, III
(B) II, III, I
(C) III, II, I
(D) II, I, III

May/June 2025

19. What is the most appropriate primary parameter used to assess the creditworthiness of a cooperative Lift Irrigation Society (LIS) investment?
(A) The number of uncultivable approach roads in the command area.
(B) The debt service coverage ratio of individual farmers.
(C) The horsepower rating of the installed pump set.
(D) The benefit-cost ratio analysis.

Oct/Nov 2019

20. What KVAR rating capacitor is recommended for an electric motor between 3 HP and 5 HP?
(A) 1 KVAR
(B) 2 KVAR
(C) 3 KVAR
(D) 4 KVAR

May/June 2009

21. Identify the correct statement regarding Bench Terracing activities.
(A) They are considered as a soil and water conservation measure on sloping land with relatively deep soils.
(B) They are normally constructed by cutting and filling to produce a series of level steps or benches.
(C) They are typically used to drain water rapidly in arid regions to prevent waterlogging.
(D) They are reinforced by retaining banks of soil or stone on the forward edges.

Oct/Nov 2011

22. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): In economic analysis, a government subsidy to the project is treated as a transfer payment.
Reason (R): A subsidy does not represent a real resource cost to the economy but a financial transfer from the government to the project.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

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(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2010

23. What is the most appropriate objective of shaping credit terms during the financial analysis of agricultural projects?
(A) Ensuring farmers bear the entire capital risk without external help.
(B) Maximizing interest income for the financing agency in minimum time.
(C) Eliminating the need for seasonal short-term credit via fixed terms.
(D) Ensuring the borrower's ability to repay while maintaining adequate incentives for participation.

Oct/Nov 2024

24. Identify the correct statement regarding the financing of micro-irrigation structures.
(A) The installing agency is not required to furnish any performance guarantee for the system.
(B) Any change in technical design during implementation can be done without prior approval of the financing bank.
(C) The system components do not need to conform to BIS specifications.
(D) There shall be an arrangement to safeguard the pipes, drippers, and accessories against theft, robbery, or fire.

May/June 2017

25. Consider the following statements regarding the fixation of the repayment period for Minor Irrigation (MI) schemes based on cash flow:
I The repayment period is fixed taking into account the incremental cash flow so that the loan can be repaid in convenient instalments.
II A gestation period is considered requiring the borrower to pay only the interest due on the loan.
III Repayment period for loans provided for Dug Well/Borewell are recovered in an 11-15 years period.
IV If a pump-set or oil engine alone is financed, the loan can be recovered in a five years period.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III) only
(B) (II), (III), and (IV) only
(C) (I), (III), and (IV) only
(D) (I), (II), (III), and (IV)

Oct/Nov 2005

26. Identify the incorrect statement regarding the Institutional-Organizational-Managerial aspects of project preparation.
(A) It involves examining whether the institutional setting of the project is appropriate.
(B) It ensures that the project design takes into account the customs and culture of the farmers.
(C) It examines the organizational design and the ability of the project director and technical staff.
(D) It is exclusively concerned with the technological capabilities of the equipment used.

May/June 2020

27. The construction of a contour stone wall is considered suitable for land where the slope percentage is:
(A) $< 6\%$
(B) $> 6\%$ to $< 15\%$
(C) $> 15\%$ to $< 30\%$
(D) $> 30\%$ to $< 45\%$

Oct/Nov 2015

28. A government implements a project introducing high-yielding seed varieties and mechanization. While production increases, many tenant farmers are displaced and forced into the ranks of the urban unemployed. The project analyst failed to adequately evaluate which aspect?
(A) Social Aspects
(B) Commercial Aspects
(C) Technical Aspects
(D) Institutional Aspects

May/June 2013

29. Match the type of Minor Irrigation structure in List I with the required minimum benefitting area in List II:
List I: (Structure)
P. Dug well with pump set
Q. Borewell with submersible pump
R. Shallow Tub Wells
S. Filter Point well
List II: (Area)
1. 2.0 ha

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CHAPTER 13

Project Formulation, Appraisal and Bankable Projects

May/June 2016

1. Arrange the following stages of the project cycle in the correct chronological order:

I. Evaluation
II. Appraisal
III. Identification
IV. Implementation
V. Preparation and analysis

(A) III, V, II, IV, I
(B) III, II, V, IV, I
(C) V, III, II, I, IV
(D) II, III, V, IV, I

Oct/Nov 2009

2. In the context of a lift irrigation scheme, why is the gross command area separated from the net command area?

(A) Because the state irrigation department mandates the separation for tax purposes.
(B) Because uncultivable land area generates a higher surplus income.
(C) Because the cost of irrigation depends upon the net area irrigated.
(D) Because the gross command area determines the horsepower requirement of the pump.

May/June 2023

3. Identify the correct statement regarding the commercial aspects of a project.

(A) Strict limitations on the final sale of the output produced.
(B) Evaluation of institutional settings and socio-cultural patterns.
(C) Arrangements for marketing outputs and the supply of inputs.
(D) Determination of equitable distribution of project-generated income.

Oct/Nov 2018

4. What defines a "graded bund" in land development?

(A) A small reservoir designed to store surface runoff from catchments.
(B) Level benches constructed by cutting and filling sloping land areas.
(C) A contour bund with a grade for safe runoff disposal.
(D) Mechanical shattering of clay pans to adjust alkalinity levels.

May/June 2007

5. Consider the following statements regarding the economic analysis of a project:

I It takes the viewpoint of the society as a whole rather than individual participants.
II Taxes are treated as transfer payments rather than as costs.
III Market prices are always used without any adjustments.

Which of the above statement(s) is/are correct?

(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

Oct/Nov 2025

6. Under what condition are graded bunds primarily adopted?

(A) Geographical areas with low annual rainfall less than 600 mm.
(B) Areas with > 600 mm rainfall and less permeable soil.
(C) Deep black cotton soils with severe crack development issues.
(D) Flat terrains with no slope intended to retain surface runoff.

May/June 2012

7. Which of the following best defines the "technical analysis" aspect of project preparation?

(A) It determines how remunerative a proposed investment will be for the private participants.
(B) It concerns the project's inputs (supplies)

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Oct/Nov 2013

36. In a dairy development scheme, the chart worked out to indicate the number of animals in milk and dry animals per batch over the years is known as the:
(A) Lactation chart
(B) Flock projection chart
(C) Herd strength chart
(D) Breeding cycle chart

May/June 2015

37. Consider the following statements regarding Land Development Schemes:
I Fencing is a one-time investment that helps curtail crop losses from diverse disruptive causes.
II Farm ponds are water harvesting structures that solve several purposes of farm needs.
III Good field drainage minimizes surface-water run-off and reduces flooding.
IV Contour trenches and stone walls are suitable for shallow and gravel soil.
V Land levelling requires the advice of agriculture engineers concerning aspects like range of slope and bulldozer hours.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (V) only
(B) (II), (III), (IV), and (V) only
(C) (I), (III), and (IV) only
(D) (I), (II), (III), (IV), and (V)

Oct/Nov 2012

38. In pomegranate cultivation, flowering induced during the June-July period is termed as:
(A) Hasta bahar
(B) Ambe bahar
(C) Rabi bahar
(D) Mrig bahar

May/June 2011

39. Identify the correct statement regarding intercropping in a coconut garden.
(A) Intercropping is not permitted under any circumstances in coconut plantations.
(B) Shade-tolerant crops like Colocasia are completely unsuitable during 10-22 years of palm age.
(C) Perennials like cocoa and nutmeg should be uprooted once the coconut palms reach 10 years of age.
(D) Crops like pineapple, banana, and tapioca can be grown up to 8-10 years.

Oct/Nov 2020

40. What is the recommended size of planting pits for cashew in hard lateritic soils?
(A) 60 cm × 60 cm × 60 cm
(B) 80 cm × 80 cm × 80 cm
(C) 1 m × 1 m × 1 m
(D) 1.5 m × 1.5 m × 1.5 m

May/June 2022

41. Identify the correct statement regarding the margin money for dairy schemes.
(A) A strictly fixed amount set at 50% of the total project cost.
(B) A range of 10% to 25% depending on the borrower category.
(C) No requirement for margin money according to the RBI guidelines.
(D) A uniform rate of 5% applied to all commercial dairy farmers.

Oct/Nov 2023

42. A combine harvester derives its name from combining which of the following operations?
(A) Ploughing, levelling, and seed sowing.
(B) Spraying, weeding, and reaping crops.
(C) Harvesting, threshing, and winnowing.
(D) Tilling, seeding, and threshing grain.

May/June 2016

43. Identify the incorrect statement regarding coconut cultivation.
(A) Coconut plantations thrive in shallow soils with underlying hard rock and frequent water stagnation.
(B) Growth patterns of tall vs dwarf varieties are evaluated based on agro-climatic zones.
(C) Square system of planting with standard 7.5 m x 7.5 m spacing is a common practice.
(D) Cultivation of shade-tolerant crops like Colocasia is common during the maturity phase.

NODIA

Oct/Nov 2009

44. Consider the following statements regarding citrus cultivation:
I Citrus plants can be grown in soils with a pH range of 4.0 to 9.0, but 5.5 to 7.5 is considered ideal.
II The best season for planting citrus seedlings is June to August.
III Light irrigation with high frequency is beneficial, while water containing more than 1000 ppm salts is injurious.

2. 0.4 ha
3. 1.0 ha
4. 1.6 ha

(A) P-3, Q-4, R-1, S-2
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

Oct/Nov 2021

30. What is the prescribed spacing norm between a dug well with a pump set and a shallow tube well or filter point?
(A) 150 m
(B) 162.5 m
(C) 175 m
(D) 200 m

May/June 2024

31. Match the machinery in List I with their primary utility/type in List II:
List I: (Machinery)
P. 35 HP Tractor
Q. Power tiller
R. Combine Harvester
S. Self-propelled rice-transplanter
List II: (Utility)
1. Tillage operations in small farms and short distance transport
2. Reaping, threshing, and cleaning grain from straw
3. Planting paddy seedlings in flooded fields
4. Tilling, traction source, and transport

(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-2, Q-3, R-1, S-4

Oct/Nov 2008

32. Consider the following statements regarding Tea Plantation:
I Well distributed rainfall ranging between 2000 mm to 5000 mm is considered suitable.
II Soil should possess a minimum 1% of organic carbon and have a pH range of 4.5 - 5.5.
III Planting is done either in spring (June-July) or in autumn (Oct-Nov).
IV Double hedge method of planting is recommended with a spacing of 105 cm x 70 cm.
V Pruning is strictly prohibited as it destroys the flush of tea leaves.

Which of the above statement(s) is/are correct?
(A) (I), (II), and (III), and (IV) only
(B) (II), (III), (IV), and (V) only
(C) (I), (III), and (V) only
(D) (I), (II), (III), (IV) and (V)

May/June 2006

33. Identify the correct statement regarding the objectives of promoting Custom Hiring Centres (CHC).
(A) Mandating large-scale farmers to lease equipment to the state.
(B) Offsetting adverse economies of scale for small farmers.
(C) Restricting mechanized activities exclusively to non-cropping times.
(D) Eliminating the need for institutional credit for farm machinery.

Oct/Nov 2017

34. While preparing pits for planting cashew in hard lateritic soils, a farmer is advised to keep the top soil and sub-soil separately and allow them to wither under the sun. What is the main purpose of this practice?
(A) To increase the acidity of the soil.
(B) To separate the organic matter from the inorganic rocks.
(C) To reduce the size of the pit required for planting.
(D) To help in the migration of termites and ants.

May/June 2008

35. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Citrus requires critical stage watering in the initial year.
Reason (R): Critical stage watering further reduces fruit drop and increases the fruit size.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

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(B) Five to seven years
(C) Ten to twelve years
(D) Fifteen to twenty years

Oct/Nov 2006

52. What is the most appropriate reason for the creation of Custom Hiring Centres in India?
(A) Excessive idle machinery owned by large-scale landowners.
(B) Government aims to centralize production into corporate farms.
(C) Requirement to import collective tractors from foreign markets.
(D) Economic inability of small farmers to own machinery.

May/June 2021

53. Identify the correct statement regarding the suggested repayment period (including moratorium) for plantation crops:
(A) Cashew nut — 5 years
(B) Pomegranate — 11 years
(C) Arecanut — 10 years
(D) Curry leaf — 13 years

Oct/Nov 2010

54. What is the most appropriate reason for subjecting citrus fruits like limes and lemons to a waxing treatment during post-harvest management?
(A) To induce a uniform yellow-orange colour.
(B) To prepare them for the de-greening chamber.
(C) To reduce moisture loss and extend shelf life.
(D) To eliminate pests like the citrus black fly.

May/June 2005

55. A farmer cultivating pomegranate observes severe fruit cracking. What is the primary cause of this problem?
(A) Sensitivity to soil moisture fluctuations.
(B) Heavy application of nitrogenous fertilizers.
(C) Cultivation at an altitude below 500 m.
(D) Over-pruning of old spurs.

Oct/Nov 2022

56. Consider the following statements regarding Combine Harvesters:
I A combine harvester combines the operations of harvesting-reaping, threshing, and winnowing into a single process.
II Around 90% of harvest operation by combines is done through custom hiring.
III The economic viability of the combine harvester investment heavily depends upon custom hiring.
Which of the above statement(s) is/are correct?
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

May/June 2018

57. Consider the following statements regarding the training and pruning of pomegranate plants:
I Plants shall be trained on a single stem or in a multi-stem system.
II The single stem training system is more susceptible to pests such as stem borer and shoot hole borer.
III Pruning is heavily required annually to remove the main canopy.
Which of the above statement(s) is/are correct?
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

Oct/Nov 2016

58. In cashew cultivation, the process of removing flowers that appear during the first and second year of planting to ensure better health of the plants is called:
(A) De-blossoming
(B) Harvesting
(C) Pruning
(D) Intercropping

May/June 2014

59. Consider the following statements regarding the bearing and economic life of cashew plants:
I Cashew plants start bearing after three years of planting and reach full bearing during the tenth year.
II They continue giving remunerative yields for another 20 years.
Which of the following is correct?
(A) Only Statement (I) is true
(B) Only Statement (II) is true
(C) Both Statements (I) and (II) are true
(D) Neither Statement (I) nor (II) is true

NODIA

IV The economic life of a citrus plantation is 15-25 years.

Which of the above statement(s) is/are correct?

(A) (I), (II), and (III) only
(B) (II), (III), and (IV) only
(C) (I), (III), and (IV) only
(D) (I), (II), and (III), and (IV)

May/June 2023

45. Match the fruit crops in List I with their suggested repayment periods (including grace period) in List II:

List I: (Fruit Crops)

P. Seedless grapes
Q. Guava
R. Mango
S. Pomegranate

List II: (Repayment Period)

1. 7 years
2. 5 years
3. 10 years
4. 11 years

(A) P-4, Q-1, R-3, S-2
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-1, S-3

Oct/Nov 2018

46. Which of the following is NOT a stipulated condition for a farmer availing tractor/power tiller finance?

(A) The farmer should have a minimum of 8 acres of perennial irrigated land or 12 acres of unirrigated land.
(B) The farmer must exclusively use the tractor on their own farm and is prohibited from engaging in custom hiring.
(C) The financed tractor should be registered with the local Regional Transport Authority with the bank's hypothecation charge recorded.
(D) Comprehensive insurance policy with the bank clause should be taken.

May/June 2007

47. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): Quick growing trees like subabul may be planted in coffee, arecanut, and coconut plantations.

Reason (R): Adequate shade is required to be developed for the protection of these crops.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2025

48. A bank is carrying out a financial appraisal for a wheel-type combine harvester. The machine will be used for 50 hours on the owner's farm and 650 hours through custom hiring annually. Over an 8-year loan repayment schedule, what is the average Debt Service Coverage Ratio (DSCR) indicated in the model economics?

(A) 1.29
(B) 1.59
(C) 1.71
(D) 2.29

May/June 2012

49. A small tea grower is establishing a new plantation. To ensure a proper mix of better yield and quality, what ratio of standard clones to high yielding and quality clones should be utilized?

(A) 50:50
(B) 60:40
(C) 70:30
(D) 80:20

Oct/Nov 2014

50. Which of the following is NOT an appropriate climatic or soil condition for pomegranate cultivation?

(A) Prolonged hot and dry climate during fruit development.
(B) Elevation of up to 1850 meters above main sea level.
(C) Deep water-logged soils with high clay content and no drainage.
(D) Extreme sensitivity to soil moisture fluctuations causing fruit cracking.

May/June 2019

51. Generally, dairy loans are recovered in monthly or quarterly instalments within a period of:

(A) Two to three years

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sea operations.
(B) Desilting of existing ponds to increase water capacity.
(C) Deepening of shallow ponds to improve fish habitat area.
(D) Construction of inlets and outlets for water management.

May/June 2017

67. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): In dairy development schemes, the cost of feeding during the initial period of one or two months is capitalized and given as a term loan.
Reason (R): This is done because the animals may not generate immediate surplus income to cover feeding costs during the initial transition period.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2005

68. Identify the correct statement regarding the technical parameters for a sheep unit of 100 animals.
(A) An expected culling rate among ewes of 5 percent.
(B) An assumed inter-lambing period of nine months.
(C) An expected lamb mortality rate of zero percent.
(D) An assumed adult mortality rate of 20 percent.

May/June 2020

69. In preparing a project report for a sheep or poultry farm, what is the primary purpose of creating a "Flock projection chart"?
(A) Projecting flock strength to estimate costs and returns.
(B) Mapping out daily feed consumption for individual animals.
(C) Graphically representing architectural designs of the sheds.
(D) Showing the hierarchy of labor employed on the dairy farm.

Oct/Nov 2015

70. Consider the following statements regarding the repayment periods of poultry loans:
I For layer farming, working capital for the first 5 to 6 months is capitalized.
II For broiler farming, the repayment period is typically 5 years without a moratorium.
Which of the following is correct?
(A) Only Statement (I) is true
(B) Only Statement (II) is true
(C) Both Statements (I) and (II) are true
(D) Neither Statement (I) nor (II) is true

May/June 2013

71. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): In fish pond management, repeated netting or using mahua oil cake is carried out before stocking fish seed.
Reason (R): These methods are employed to remove unwanted and predatory fishes and other animals from the pond.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2021

72. A dairy farmer financing a 10-animal unit is advised to purchase the animals in two batches of 5. What is the primary purpose of this staggered purchasing?
(A) To reduce the initial insurance premium for animal batches.
(B) To ensure continuous and uniform annual milk production.
(C) To avail of separate government subsidies for each batch.
(D) To minimize the floor space required per adult milking animal.

NODIA

ANSWERS

1. (A) III, V, II, IV, I
The project cycle follows a systematic progression starting with identification to find potential investment opportunities. This is followed by preparation and analysis to design the project and evaluate feasibility. Appraisal provides a comprehensive review before implementation begins. Finally, evaluation assesses the results against objectives to inform future planning and resource allocation.

2. (C) Because the cost of irrigation depends upon the net area irrigated.
In lift irrigation schemes, distinguishing between gross and net command areas is vital for financial planning. The gross area includes all land within the scheme boundaries, while the net area comprises only the cultivable portion. Since irrigation costs are directly linked to the actual area being watered, precise identification of the net area ensures accurate economic projections.

3. (C) Arrangements for marketing outputs and the supply of inputs.
Commercial aspects focus on the market-related sustainability of a project by analyzing how inputs are procured and how outputs are sold. This involves evaluating supply chains for raw materials and identifying effective marketing channels for products. Ensuring reliable access to markets and input suppliers is essential for maintaining operational efficiency and achieving the projected financial returns.

4. (C) A contour bund with a grade for safe runoff disposal.
Graded bunds are mechanical structures constructed across slopes to manage excess surface runoff. Unlike contour bunds which are level, these have a specific longitudinal grade that guides water towards a safe outlet or disposal point. This design prevents soil erosion in high rainfall areas while simultaneously facilitating better water infiltration into the soil profile during transit.

5. (A) (I) and (II) only
Economic analysis evaluates a project from the perspective of the entire society, focusing on real resource use. In this framework, taxes and subsidies are considered internal transfer payments rather than actual costs or benefits to the economy. Market prices are often adjusted to shadow prices to reflect the true social value of resources when market distortions exist.

6. (B) Areas with > 600 mm rainfall and less permeable soil.
Graded bunds are primarily utilized in regions experiencing high annual rainfall, typically exceeding six hundred millimeters. They are especially effective in soils with low permeability, where water does not drain quickly. By providing a gentle slope, these bunds allow excess water to be drained away safely, preventing waterlogging and protecting the topsoil from erosion during heavy storms.

7. (B) It concerns the project's inputs (supplies) and outputs (production) of real goods and services.
Technical analysis focuses on the physical feasibility and engineering aspects of a project. It evaluates the relationship between various inputs, such as raw materials and labor, and the resulting outputs or services. This process ensures that the proposed technology is appropriate for the local environment and that the production targets are achievable within the specified physical constraints.

8. (C) Both (I) and (II) are correct
Maintaining proper spacing between irrigation structures is essential to prevent interference and ensure sustainable groundwater extraction. For dug wells equipped with pump sets, a minimum distance of one hundred fifty meters is required. Similarly, shallow tube wells or filter points with pump sets must be spaced at least one hundred seventy-five meters apart to protect the local aquifer levels.

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Oct/Nov 2012

80. Which of the following is NOT a factor explicitly reviewed by bankers for determining the bankability of a poultry scheme?
(A) The technical ability and prior experience of the entrepreneurs in managing such farms.
(B) Financial soundness of the parties concerned.
(C) Regulatory clearance if warranted for taking up the venture.
(D) The borrower's caste or religious affiliation.

May/June 2011

81. A fish farmer observes that his tanks are acidic in nature and less productive. To bring the pH to the desired level and increase the resistance of soil to parasites, which substance should be applied during pond management?
(A) Mahua oil cake
(B) Ammonium sulphate
(C) Lime
(D) Raw cow dung

Oct/Nov 2020

82. What is the most appropriate location-related factor a beneficiary should ensure before starting a large-scale dairy farm?
(A) Proximity to cooperatives, veterinary aid, and AI centres.
(B) Distance of 50 km from processing plants to avoid pollution.
(C) Proximity to commercial airports for rapid animal transport.
(D) Location in arid regions to prevent common hoof infections.

May/June 2022

83. A farmer proposes a layer farming unit and requests the bank to include the feed, medicines, and veterinary aid for the initial period in the term loan. Up to what period can these working capital requirements be capitalized?
(A) First 1 to 2 months
(B) First 5 to 6 months
(C) First 10 to 12 months
(D) First 18 to 24 months

Oct/Nov 2023

84. Which of the following is the most appropriate managerial aspect to be considered while financing a sheep breeding scheme?
(A) Holding a master's degree in agricultural economics.
(B) Ownership of a fleet of transport vehicles for wool.
(C) Skills in flock management, protection, and shearing.
(D) Prior experience in professional deep-sea fishing.

May/June 2016

85. A borrower plans a sheep unit of 100 ewes and 4 rams, generating up to 120 lambs maximum. Based on the parameter of 10 sq. ft per ewe, 20 sq. ft per ram, and 4 sq. ft per kid/lamb, what is the maximum total shed area required?
(A) 1200 sq. ft
(B) 1400 sq. ft
(C) 1560 sq. ft
(D) 1800 sq. ft

Oct/Nov 2009

86. In an Automatic Milk Collection station, how is the farmer's payment rate primarily calculated?
(A) Based strictly on the physical volume of milk without quality checks.
(B) Based automatically on the fat content and quantum of milk poured.
(C) Based on a manual register maintained by the society secretary.
(D) Based on a fixed monthly honorarium regardless of milk poured.

May/June 2023

87. Identify the incorrect statement regarding the technical parameters of intensive fish farming.
(A) Small ponds or tanks with very high stocking density levels.
(B) Minimum water level falling to 0.2 m during the summer.
(C) Perennial fresh water ponds with 1.5 to 2.0 metres of depth.
(D) Renovating derelict or swampy ponds for active fish culture.

Oct/Nov 2018

88. Match the poultry farming aspects in List I with their corresponding parameters in List II:
List I: (Aspects)
P. Number of batches
Q. Birds considered for laying
R. Floor space per bird in brooder cum grower house (deep litter)
S. Floor space per bird in layer shed (cage system)

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May/June 2024

73. Consider the following statements regarding goat rearing:

I Generally, one-acre irrigated land can accommodate 25 goats under an intensive system.

II Slatted floor raised about one meter above the ground provides good ventilation and easy cleaning.

III A deep litter system of floor decreases the chances of diseases like TB and brucellosis.

Which of the above statement(s) is/are correct?

(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

Oct/Nov 2008

74. Consider the following statements regarding broiler farming management:

I Brooding arrangements with a heating source are required for day-old chicks in the first week.

II Birds are to be protected from predators and vaccinated against diseases at proper times.

III Deworming for internal and external parasites is required to maintain a healthy flock.

IV The repayment period of loan for broiler farming is generally 15 years.

V The sheds should be constructed on elevated land or above ground level to avoid water logging.

Which of the above statement(s) is/are correct?

(A) (I), (II), and (III), and (V) only
(B) (II), (III), and (IV) only
(C) (I), (II), and (IV) only
(D) (I), (II), (III), (IV) and (V)

May/June 2006

75. Consider the following statements regarding the feeding habits of fishes used in intensive fish culture:

I Catla is a zooplankton species and acts as a surface feeder.

II Rohu is an omnivorous species and acts as a column feeder.

Which of the following is correct?

(A) Only Statement (I) is true
(B) Only Statement (II) is true
(C) Both Statements (I) and (II) are true
(D) Neither Statement (I) nor (II) is true

Oct/Nov 2017

76. Consider the following statements regarding the Automatic Milk Collection (AMC) station:

I It is a specially designed integrated unit combining a milk weighing system, electronic milk testing, and a personal computer.

II It helps increase the efficiency and accuracy of fat testing in milk.

III It cannot be utilized to measure the SNF% and water% of the milk.

IV Payment details can be sent directly to the bank by the milk processing plant.

Which of the above statement(s) is/are correct?

(A) (I), (II), and (III) only
(B) (I), (II), and (IV) only
(C) (II), (III), and (IV) only
(D) (I), (III), and (IV) only

NODIA

May/June 2008

77. A farmer possesses 2 acres of irrigated land and wishes to establish an intensive goat rearing farm. Based on standard parameters, what is the approximate maximum number of goats the land can accommodate?

(A) 25 goats
(B) 50 goats
(C) 100 goats
(D) 150 goats

Oct/Nov 2013

78. Identify the incorrect statement regarding poultry layer farming.

(A) The project typically requires construction of brooder/grower and layer sheds.
(B) Day-old chicks are purchased and require brooding arrangements in the first week.
(C) Working capital requirement for feed and medicines is capitalized for the first 5 to 6 months till the stage of income generation.
(D) Birds are permanently kept in complete darkness to enhance egg production.

May/June 2015

79. Identify the incorrect pair regarding the economic parameters of a sheep breeding unit:

(A) Adult mortality — 5%
(B) Lamb mortality — 15%
(C) Culling rate among ewes — 20%
(D) Margin money required — 50%

(A) Requirement for extensive land and heavy farm machinery.
(B) Low investment and skills with part-time flexibility.
(C) Demand for full-time attention preventing other jobs.
(D) Subsidies provided exclusively for corporate companies.

Oct/Nov 2010

96. Identify the incorrect statement regarding compost preparation for mushrooms.
(A) The substrate is mainly prepared from a mixture of plant wastes, salts, supplements, and water.
(B) The long method of composting utilizes a steaming room where the air temperature is maintained at 60°C for 4 hours.
(C) Each ton of compost should contain 6.6 kg nitrogen, 2.0 kg phosphate, and 5.0 kg potassium.
(D) The ratio of C:N in a good substrate should be 25-30:1 at the time of staking and 16-17:1 in the final compost.

May/June 2005

97. Consider the following statements regarding cage aquaculture:
I It was initiated by the Central Marine Research Institute (CMFRI), Kochi.
II It is suitable for both brackish and fresh open waters.
III A standard cage size is 4m (length) × 4m (breadth) × 3m (depth).
IV The culture period typically lasts 6-8 months.
V The survival rate is assumed at 70%.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III), and (IV) only
(B) (II), (III), (IV), and (V) only
(C) (I), (III), (IV), and (V) only
(D) (I), (II), (III), (IV), and (V)

Oct/Nov 2022

98. In designing and constructing a rural godown, why is it technically specified that the structure should have smooth, crack-free internal surfaces with no unnecessary cavities?
(A) To prevent the lodgement of insects and vermin.
(B) To improve the aesthetic appeal for potential renters.
(C) To increase the overall storage capacity of the godown.
(D) To reduce the quantity of cement used in construction.

May/June 2018

99. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): It is recommended to place bee hives very near the field at 10% flowering.
Reason (R): This practice saves the bees' energy and minimizes the flight distance required to migrate colonies.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2016

100. Identify the correct pair mapping the training institution for bee keeping to its location:
(A) Lupin Welfare & Research Foundation — Dehradun, Uttarakhand
(B) Bee Keeping Research and Training Institute — Hauz Khas, New Delhi
(C) Jyoti Gramodhyog Sansthan — Gangoh, Saharanpur Uttar Pradesh
(D) Bee Institutional Area — Hisar Haryana

May/June 2014

101. Which of the following is NOT a recognized method of spawning in mushroom cultivation?
(A) Deep Trench Spawning
(B) Spot Spawning
(C) Surface Spawning
(D) Layer Spawning

Oct/Nov 2007

102. Identify the correct statement regarding the technical features of bee keeping.
(A) High relative humidity affects bee flight and the ripening of nectar.
(B) Hives should be kept in direct, intense sunlight without any shade.
(C) Bees naturally avoid plants that yield pollen and nectar.

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(D) The selected site must be extremely damp to provide bees with drinking water.

May/June 2025

103. Match the facilities in List I with the minimum required distance from a rural godown in List II:
List I: (Facilities)
P. Hay stacks and timber stores
Q. Dairies and poultry farms
R. Garbage dumping grounds
S. Slaughter-houses
List II: (Distance)
1. 150 m
2. 300 m
3. 500 m
4. 500 m
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-3, R-4, S-1
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-1, R-2, S-3

Oct/Nov 2019

104. Identify the incorrect statement regarding the prescribed minimum distances for maintaining the hygienic and sanitary conditions of a rural godown.
(A) The distance from kilns or bone-crushing mills should be 500 m.
(B) The distance from dairies and poultry farms should be 300 m.
(C) The distance from factories and other sources of fire should be 150 m.
(D) The distance from residential areas must be exactly 50 m.

May/June 2009

105. Match the mushroom cultivation processes in List I with their descriptions in List II:
List I: (Processes)
P. Spawn production
Q. Compost Preparation
R. Spawning
S. Casing
List II: (Descriptions)
1. Covering compost beds with a 3-4 cm thick layer of soil
2. Mixing spawn with the prepared substrate
3. Produced from fruiting culture/stocks under sterile conditions
4. Mixing plant wastes, salts, and supplements to achieve a C:N ratio of 16-17:1
(A) P-3, Q-4, R-2, S-1
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-1, S-2
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2011

106. What is the main advantage of cage aquaculture regarding harvesting?
(A) Immediate freezing of fish inside the cage structures.
(B) Harvesting based on demand to avoid distress sales.
(C) Government guarantees of a fixed minimum support price.
(D) Shelf life of several years without any refrigeration.

NODIA

May/June 2010

107. What is the most appropriate reason for promoting bee keeping among small/marginal farmers and hill dwellers?
(A) High disease susceptibility requiring strict hygiene.
(B) Accelerating the growth of mulberry plants in the room.
(C) Increasing the ambient temperature of the rearing room.
(D) Providing a supplementary nutrient source for silkworms.

Oct/Nov 2024

108. Which of the following is NOT a recognized pest or disease in honey bee farming?
(A) Foot and mouth disease
(B) European foul-brood disease
(C) Wax moths and tracheal mites
(D) Thai sac brood virus (TSBV)

May/June 2017

109. A sericulture farmer needs to maintain optimum humidity in the silkworm rearing bed during the first two instar stages. Which specific equipment is utilized as a substitute for newspaper strips to achieve this?
(A) Standard wet gunny cloth materials.
(B) Paraffin paper of various weights.
(C) Centipede rope mountage systems.
(D) Foam rubber strips dipped in water.

Oct/Nov 2005

110. Consider the following statements regarding the civil structure specifications of a rural godown:
I The plinth shall generally be kept about 80 cm above the finished ground level to

facilitate loading and unloading.

II A cement concrete or stone slab projection of 15 cm to 18 cm at the plinth level may be provided so that rats and rodents will not be able to enter.

Which of the following is correct?

(A) Only Statement (I) is true
(B) Only Statement (II) is true
(C) Both Statements (I) and (II) are true
(D) Neither Statement (I) nor (II) is true

May/June 2020

111. Consider the following statements regarding the environmental parameters required during the mushroom spawn running process:

I The compost is filled in polythene bags or mostly wooden trays.
II The temperature maintained in the cropping room must be exactly 35°C.
III The relative humidity should be around 90%.
IV A higher-than-normal CO_2 concentration is considered beneficial at this stage.

Which of the above statement(s) is/are correct?

(A) (I), (II), and (III) only
(B) (I), (III), and (IV) only
(C) (II), (III), and (IV) only
(D) (I), (II), and (III), and (IV)

Oct/Nov 2015

112. A farmer Bosses 2 acres of mustard and sunflower and sets up bee hives in his fields. He later records an incremental crop yield of up to 44%. What is the primary technical reason for this yield increase?

(A) The bees consume harmful weeds in the field.
(B) The yield increase is due to enhanced bee pollination.
(C) The bee venom acts as a natural fertilizer.
(D) The physical presence of hives protects crops from wind damage.

May/June 2013

113. Consider the following statements regarding the equipment used in sericulture:

I Rearing stands can accommodate 10 rearing trays and are made of wood or bamboo.
II Paraffin paper is a thick craft paper coated with wax used to prevent withering of chopped leaves.
III Bird feathers are used for brushing newly hatched worms to prevent injuries.
IV Cleaning nets are cotton or nylon nets of different mesh sizes used for cleaning the rearing beds.
V Mountages ('chandrikas') are used to support silkworms for spinning cocoons.

Which of the above statement(s) is/are correct?

(A) (I), (II), and (III) only
(B) (II), (III), (IV), and (V) only
(C) (I), (III), and (IV), and (V) only
(D) (I), (II), (III), (IV), and (V)

Oct/Nov 2021

114. Identify the incorrect statement regarding the equipment used in sericulture.

(A) Rearing trays: lightweight bamboo or wood containers.
(B) Mountages: tools for picking larvae for hygiene.
(C) Chopping boards: soft wood bases for cutting leaves.
(D) Feeding stands: wooden stands for trays during feeding.

May/June 2024

115. Which of the following is NOT a technical consideration for the erection of a rural godown structure?

(A) The structure shall be so oriented that it receives minimum solar radiation.
(B) The structure shall be located on a raised well-drained site.
(C) The ventilators shall be fixed 15 cm below the top edge of the wall measured from inside.
(D) Plinth shall be filled loosely with unrammed earth to allow natural moisture absorption.

Oct/Nov 2008

116. Match the pisciculture terms in List I with their characteristics in List II:

List I: (Terms)

P. Mahua oil cake
Q. Lime
R. Catla
S. Rohu

List II: (Characteristics)

1. Increases pH level and kills parasites
2. Used to remove unwanted and predatory fishes
3. Omnivorous species and column feeder
4. Zooplankton species and surface feeder

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(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-4, R-1, S-3

May/June 2006

117. After the spawn running process is complete, a mushroom farmer covers the compost beds with a 3-4 cm thick layer of soil (peat moss or garden loam/sand mixture). What is this specific step called?
(A) De-blossoming
(B) Spot spawning
(C) Pasteurization
(D) Casing

Oct/Nov 2017

118. Consider the following statements regarding the impact of bee pollination on crop yields:
I Incremental crop yields up to 44% have been reported in mustard & sunflower.
II A 32-45% yield increase has been reported in cotton.
III A 20% yield increase has been reported in lucerne.
IV A 90% yield increase has been reported in onion.
Which of the above statement(s) is/are correct?
(A) (I), (II), and (III) only
(B) (II), (III), and (IV) only
(C) (I), (III), and (IV) only
(D) (I), (II), (III), and (IV)

May/June 2008

119. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): In sericulture, the rearing house should have proper ventilation and optimum temperature, avoiding exposure to bright sunlight and strong wind.
Reason (R): Silkworms are very sensitive to weather conditions like humidity and temperature.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2013

120. A cooperative is planning to construct a rural godown to store food grains. The proposed site is located near a tannery and a hide-curing centre. What must be the minimum distance between the godown and these facilities?
(A) 150 m
(B) 300 m
(C) 500 m
(D) 1000 m

May/June 2015

121. A farmer harvests highly perishable button mushrooms and needs to remove soil particles and induce whiteness before packing them in perforated poly bags. What specific post-harvest treatment should be applied?
(A) Dipping in a standard 2% formaldehyde solution.
(B) Spraying with Bavistin at a rate of 75 ppm.
(C) Drying under direct sunlight for three full days.
(D) Washing in a solution of 5g KMS in 10L of water.

Oct/Nov 2012

122. Match the mushroom cultivation processes in List I with their descriptions in List II:
List I: (Processes)
P. Spawn production
Q. Compost Preparation
R. Spawning
S. Casing
List II: (Descriptions)
1. Covering compost beds with a 3-4 cm thick layer of soil
2. Mixing spawn with the prepared substrate
3. Produced from fruiting culture/stocks under sterile conditions
4. Mixing plant wastes, salts, and supplements to achieve a C:N ratio of 16-17:1
(A) P-3, Q-4, R-2, S-1
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-1, S-2
(D) P-2, Q-1, R-4, S-3

May/June 2011

123. Identify the incorrect statement regarding the harvesting and packaging of white button mushrooms.

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(A) Harvesting when caps are 2.5 to 4 cm and closed.
(B) Light twisting of caps without disturbing casing soil.
(C) Retail standards mandate bulk packaging in India.
(D) Filling gaps in the beds with fresh casing material.

Oct/Nov 2020

124. Identify the correct statement regarding the physical properties of the compost finally obtained after the short method of composting.
(A) Granular structure with 70% moisture and pH 7.5.
(B) Highly acidic composition with a pH level of 4.5.
(C) Pungent smell of ammonia intended to deter pests.
(D) Completely dry state with 0% moisture before spawning.

May/June 2022

125. A mushroom cultivator is preparing compost using the short method. During the pasteurization phase, to kill undesirable microbes and convert ammonia into microbial protein, what specific air temperature and duration must be maintained in the steaming room?
(A) 40°C for 2 hours
(B) 60°C for 4 hours
(C) 80°C for 6 hours
(D) 100°C for 1 hour

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List II: (Parameters)
1. 1 sq. ft
2. 0.85 sq. ft
3. 10,000
4. 2

(A) P-4, Q-3, R-1, S-2
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

May/June 2007

89. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): Slatted floors are recommended for goat sheds in hot-humid climates.

Reason (R): Slatted floors provide good ventilation, easy collection of dung and urine, and reduce skin infections compared to wet floors.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2025

90. In broiler farming, financing small size units often relies on the concept of "all in all out" batches. This concept refers to:

(A) Concurrent batch entry and sale for thorough disinfection.
(B) Bulk purchase of feed kept entirely outside the shed structure.
(C) Keeping all birds exclusively outdoors for their whole lifespan.
(D) Processing all financial transactions outside the banking system.

May/June 2012

91. Consider the following statements regarding bee keeping:

I It is recommended to place colonies at 3 per ha for Italian bees.
II It is recommended to place colonies at 5 per ha for Indian bees.
III Honey, bees wax, royal jelly, and bee venom are some of the main bee products.

Which of the above statement(s) is/are correct?
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

Oct/Nov 2014

92. Identify the correct statement regarding the rearing house equipment used in sericulture.

(A) Mountages: structures used only to store mulberry leaves.
(B) Chopsticks: tools for workers to eat meals in the rooms.
(C) Ant wells: blocks with water to prevent ant access.
(D) Leaf chambers: specialized units for spinning cocoons.

May/June 2019

93. In a standard intensive carp culture program, what is the primary consideration for selecting the fish species like Catla and Rohu together?

(A) Exact same feeding habits and competition for resources.
(B) Natural crossbreeding to produce a high-yielding hybrid.
(C) Compatible feeding habits across different water levels.
(D) Survival entirely on sunlight without supplemental feeding.

Oct/Nov 2006

94. Identify the correct sequential step involved in the whole process of button mushroom (Agaricus bisporus) production.

(A) Fruiting → Casing → Spawn running → Spawning → Compost preparation → Spawn production
(B) Compost preparation → Spawn production → Casing → Spawning → Spawn running → Fruiting
(C) Spawn production → Compost preparation → Spawning → Spawn running → Casing → Fruiting
(D) Casing → Spawning → Spawn production → Compost preparation → Spawn running → Fruiting

May/June 2021

95. What is the most appropriate reason for promoting bee keeping among small/marginal farmers and hill dwellers?

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9. (B) Land acquisition costs for individual farmer properties.
Calculating water charges for a Lift Irrigation Society involves accounting for operational sustainability and loan obligations. These charges typically include recurring maintenance costs, energy bills, and the repayment of loan installments with interest. However, costs associated with the acquisition of private land for individual farmers are excluded, as these are considered personal capital investments rather than shared operational expenses.

10. (C) Technical Aspects
Initiating field trials to verify potential yields and current farming methods is a fundamental part of technical analysis. This process ensures that the biological and physical assumptions underlying the project are realistic and locally applicable. By gathering empirical data on crop performance, planners can refine production estimates and select appropriate agricultural practices to guarantee the technical success of the proposed scheme.

11. (D) Cultural method
The cultural method of land reclamation involves adjusting agricultural practices to manage soil salinity or alkalinity. By selecting and growing specific crop varieties that naturally tolerate high salt concentrations, farmers can maintain productivity on affected land without intensive chemical or mechanical interventions. This approach utilizes biological resilience to improve soil utility and provides a sustainable way to utilize marginal agricultural areas.

12. (C) Commercialization of Projects
The project cycle consists of specific stages including identification, preparation, appraisal, implementation, and evaluation. While commercial viability is assessed during the preparation and appraisal phases, the term commercialization is not recognized as a distinct stage of the cycle. Instead, marketing and commercial activities are integrated into the broader implementation and operational phases of the project to ensure financial sustainability.

13. (B) 50%
When a beneficiary's own irrigated land area is insufficient to meet the standard requirements for a well loan, income from selling surplus water can be considered. Banking norms allow for a maximum of fifty percent of the annual loan repayment installment to be derived from these water sales. This provision helps small farmers access credit while ensuring a diversified income stream.

14. (A) P-3, Q-1, R-4, S-2
Project preparation involves analyzing diverse factors. Technical aspects focus on physical elements like soil and water. Institutional aspects examine administrative structures and land tenure. Commercial aspects deal with the supply of inputs and marketing channels for outputs. Financial aspects assess the project's viability through farm budgets and credit terms. Each component is essential for creating a comprehensive and feasible project plan.

15. (D) Biological method — Constructing deep farm ponds to store surface runoff.
Biological methods for reclaiming alkali soils typically involve using organic amendments like green manures or specific plant growth to improve soil structure and chemistry. In contrast, constructing farm ponds is a water harvesting technique, not a biological reclamation method. Correct reclamation strategies include chemical additives like gypsum, mechanical drainage improvements, and the cultivation of salt-tolerant species to restore soil productivity.

16. (A) Taxes and subsidies are both treated as transfer payments.
In economic analysis, taxes and subsidies are categorized as transfer payments because they represent a shift of financial resources within the economy rather than a net change in total national wealth. Unlike financial analysis, which views taxes as costs and subsidies as income, economic analysis excludes them to determine the project's true impact on the nation's real resources and productivity.

17. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Critical blocks are geographic areas where the stage of groundwater development has reached a point where further extraction could lead to depletion. Implementing new minor irrigation

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square feet. Summing these values gives a total required area of fifteen hundred sixty square feet.

86. (B) Based automatically on the fat content and quantum of milk poured.
In an Automatic Milk Collection station, the payment for each farmer is determined through an integrated electronic process. The system automatically measures both the quantity of milk and its fat content. Using these parameters, the computer calculates the correct payment rate based on pre-set quality standards. This method ensures transparency, eliminates manual errors, and provides farmers with a fair price that reflects the actual quality of their product.

87. (B) Minimum water level falling to 0.2 m during the summer.
Intensive fish farming requires maintaining a stable environment with adequate water depth to support high stocking densities. Standard technical parameters specify that perennial fresh water ponds should have a depth of one point five to two meters. A water level that drops to zero point two meters during the summer is insufficient for survival and would lead to high mortality rates and complete failure of the fish culture project.

88. (A) P-4, Q-3, R-1, S-2
Managing a poultry farm involves specific parameters for batch rotation and spacing. A typical model might use two batches with ten thousand birds considered for laying. Spacing requirements vary by housing type: deep litter systems in brooder houses generally require one square foot per bird. In contrast, cage systems in layer sheds are more compact, often using approximately zero point eight-five square feet per bird to optimize efficiency.

89. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
In hot and humid climates, goat health is significantly improved by using slatted floors in the sheds. These floors allow for better air circulation and facilitate the easy collection of waste, preventing the accumulation of damp litter. By keeping the goats on a dry, elevated surface, the risk of skin infections and other diseases associated with wet and unsanitary conditions is greatly reduced, ensuring better productivity.

90. (A) Concurrent batch entry and sale for thorough disinfection.
The "all in all out" management concept in broiler farming involves moving entire batches of birds together. All birds in a shed are brought in at the same age and sold at the same time. This practice allows for a complete break in the production cycle, enabling thorough cleaning and disinfection of the facilities before the next batch arrives. This strategy is essential for controlling disease outbreaks and maintaining flock health.

91. (D) (I), (II), and (III)
Bee keeping is a highly productive agricultural activity with specific stocking recommendations for different species. Experts suggest placing three colonies per hectare for Italian bees and five per hectare for Indian bees to ensure optimal foraging. Beyond honey, the industry produces valuable materials like bees wax, royal jelly, and bee venom. These diverse products contribute to the financial viability and sustainability of beekeeping enterprises for small-scale farmers.

92. (C) Ant wells: blocks with water to prevent ant access.
In sericulture, protecting silkworms from predators is a critical management task. Ant wells are specialized equipment consisting of stone or plastic blocks with a circular groove filled with water. The legs of the rearing stands are placed in these wells, creating a physical water barrier that prevents ants from reaching and harming the delicate silkworm larvae. This simple yet effective tool is essential for ensuring high survival rates.

93. (C) Compatible feeding habits across different water levels.
Polyculture in carp farming involves selecting species that occupy different ecological niches within the pond. Catla and Rohu are chosen together because they have compatible feeding habits that minimize competition. Catla primarily feeds at the surface, while Rohu occupies the middle or column layer. This arrangement allows for the efficient utilization of all available natural food resources in the pond, leading to higher total fish production per unit area.

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26. (D) It is exclusively concerned with the technological capabilities of the equipment used. Institutional, organizational, and managerial aspects of project preparation focus on the human and structural elements required for success. This includes evaluating the administrative setup, the leadership skills of the project staff, and the social compatibility of the design with local customs. These aspects are much broader than just technological capabilities, as they ensure the project can be effectively managed within its specific environment.

27. (C) > 15% to < 30%
Contour stone walls are effective soil conservation structures used in hilly areas with significant gradients. They are specifically recommended for land where the slope ranges between fifteen and thirty percent. By constructing these barriers along the contour lines, water runoff is slowed down and soil erosion is minimized. This practice helps in stabilizing slopes and improving the productivity of agricultural land.

28. (A) Social Aspects
Social aspects of project preparation involve analyzing how a project affects different groups of people, including income distribution and employment. The failure to anticipate the displacement of tenant farmers and subsequent urban unemployment indicates an oversight in this analysis. Planners must evaluate the broader societal implications of mechanization and technological changes to ensure that the project's benefits are equitably distributed among participants.

29. (A) P-3, Q-4, R-1, S-2
Different minor irrigation structures are suited for varying sizes of command areas to ensure economic viability. A dug well with a pump set generally requires a minimum of one hectare, while a borewell with a submersible pump is matched with one point six hectares. Shallow tube wells usually cover two hectares, and filter point wells are designed for smaller plots of zero point four hectares.

30. (B) 162.5 m
To prevent excessive interference between different types of groundwater extraction structures, specific spacing norms are established by irrigation authorities. When a dug well with a pump set is located near a shallow tube well or a filter point, a minimum distance of one hundred sixty-two point five meters must be maintained. This distance ensures that the cone of depression does not overlap.

31. (A) P-4, Q-1, R-2, S-3
Agricultural machinery is designed for specific farm operations to enhance productivity. Tractors serve as versatile power sources for tilling and transport. Power tillers are ideal for small farms and short-distance tasks. Combine harvesters integrate reaping, threshing, and cleaning into one process. Self-propelled rice transplanters are specialized for planting seedlings in flooded fields, significantly reducing the labor required for traditional manual planting.

32. (A) (I), (II), and (III), and (IV) only
Successful tea cultivation requires specific environmental and management conditions, including high annual rainfall and acidic soil with sufficient organic carbon. Planting is typically done during the spring or autumn seasons using recommended spacing methods like the double hedge system. While pruning is a critical practice for maintaining the flush of tea leaves and managing bush height, it is not strictly prohibited.

33. (B) Offsetting adverse economies of scale for small farmers.
Custom Hiring Centres are established to provide small and marginal farmers with access to expensive agricultural machinery that they cannot afford to own individually. By offering equipment on a rental basis, these centres help offset the adverse economies of scale associated with small landholdings. This allows small-scale farmers to benefit from mechanization, improving their efficiency, productivity, and overall farm income levels.

34. (D) To help in the migration of termites and ants.
In hard lateritic soils, preparing pits for cashew involves separating the topsoil and sub-soil and allowing them to wither under the sun. This traditional practice is primarily intended to manage soil-borne pests. Exposure to direct sunlight and air helps in the migration of termites and ants away from the planting site, protecting

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52. (D) Economic inability of small farmers to own machinery.
The primary reason for promoting Custom Hiring Centres in India is the economic constraint faced by small and marginal farmers. High capital costs make individual ownership of tractors and other specialized machinery unviable for those with small landholdings. These centres provide a shared resource model, allowing small-scale farmers to access mechanization on a rental basis, thereby improving their productivity without the burden of heavy debt.

53. (C) Arecanut — 10 years
Repayment periods for plantation crops are designed to account for the long gestation time before the trees reach full productivity. For arecanut, a standard repayment period including the moratorium or grace period is typically fixed at ten years. This allows the farmer sufficient time to establish the plantation and begin generating steady income from the nuts before the final loan installments are due.

54. (C) To reduce moisture loss and extend shelf life.
Post-harvest management of citrus fruits like limes and lemons often includes a waxing treatment. This process involves applying a thin, food-grade wax coating to the surface of the fruit. The primary objective is to create a protective barrier that reduces moisture loss through transpiration. This helps maintain fruit freshness, prevents shrivelling, and significantly extends the shelf life for better marketability and transport.

55. (A) Sensitivity to soil moisture fluctuations.
Fruit cracking in pomegranate is a common physiological disorder that significantly reduces the market value of the crop. The primary cause is the extreme sensitivity of the developing fruit to sudden changes in soil moisture levels. When a dry period is followed by heavy irrigation or rain, the internal tissues of the fruit expand more rapidly than the skin, leading to severe cracking and damage.

56. (D) (I), (II), and (III)
A combine harvester is a highly efficient machine that integrates harvesting, threshing, and winnowing into a single operation. Because of its high capital cost, individual ownership is often not viable for small farms, leading to approximately ninety percent of its use occurring through custom hiring. Consequently, the economic feasibility of investing in this machinery depends heavily on providing services to other farmers.

57. (A) (I) and (II) only
Pomegranate plants can be trained using either a single stem or a multi-stem system. While the single stem approach is common, it is more vulnerable to damage from pests like stem borers. Management involves light pruning to maintain shape and remove old spurs, but heavy annual removal of the main canopy is generally avoided, as it can disrupt the fruit-bearing potential of the tree.

58. (A) De-blossoming
De-blossoming is a critical management practice in young cashew plantations during the first and second years after planting. This involves manually removing any flowers that appear before the tree has reached sufficient structural maturity. By preventing early fruit set, the plant redirects its energy toward vegetative growth and root development, ensuring a healthier and more robust tree for long-term productive yields in the future.

59. (C) Both Statements (I) and (II) are true
Cashew plants follow a predictable growth and production cycle, typically beginning to bear fruit three years after planting. They reach their full bearing potential around the tenth year of growth. Once established, these trees are highly productive and can continue to provide remunerative yields for approximately twenty additional years, making them a sustainable and long-term investment for farmers in suitable agro-climatic regions.

60. (A) P-4, Q-2, R-1, S-3
Proper spacing is essential in plantation crops to ensure optimal sunlight, air circulation, and nutrient availability. Arecanut is typically planted at two point seven-five meters. Cashew nuts require more room, usually spaced at seven meters. The tall variety of coconut requires seven point five meters for its large canopy. Pomegranate is generally planted more closely, with spacing ranging from four to five meters.

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sensitive to poor drainage and do not grow well in shallow soils with underlying hard rock or areas prone to frequent water stagnation. Successful cultivation depends on selecting suitable agro-climatic zones and maintaining proper spacing to ensure adequate sunlight and nutrients.

44. (D) (I), (II), and (III), and (IV)
Citrus cultivation thrives in specific conditions, ideally in soils with a pH between five point five and seven point five. Planting is best performed during the monsoon months from June to August. Management practices include frequent light irrigation while avoiding highly saline water. These plantations have a productive economic life typically ranging from fifteen to twenty-five years, depending on the variety.

45. (A) P-4, Q-1, R-3, S-2
The repayment periods for fruit crop loans are tailored to the specific gestation and bearing cycles of each species. Seedless grapes usually have a repayment period of eleven years, while guava loans are recovered over seven years. Mango plantations, with their longer maturation time, typically require ten years, whereas pomegranate schemes are often structured with a shorter repayment schedule of five years.

46. (B) The farmer must exclusively use the tractor on their own farm and is prohibited from engaging in custom hiring.
When financing tractors or power tillers, banks impose several conditions such as minimum landholding requirements and mandatory registration with local authorities. However, farmers are not prohibited from engaging in custom hiring. In fact, custom hiring is often encouraged as it helps the borrower generate additional income to meet loan repayment obligations, especially when their own farm operations do not fully utilize the machinery.

47. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Certain plantation crops like coffee, arecanut, and coconut require protection from intense direct sunlight, especially during their early growth stages. Quick-growing trees such as subabul are often planted within these plantations to provide the necessary shade. This practice creates a more favorable micro-climate for the main crops, helping to regulate temperature and humidity while protecting the delicate plants from solar radiation.

48. (C) 1.71
The Debt Service Coverage Ratio is a critical measure used by banks to assess the ability of a project to repay its debt. For a wheel-type combine harvester used significantly for custom hiring, the model economics typically indicate an average ratio of one point seven-one. This value suggests that the project generates sufficient cash flow to cover the loan principal and interest payments comfortably.

49. (C) 70:30
Establishing a new tea plantation requires a careful selection of clones to balance production volume with leaf quality. Planners recommend a specific mix where seventy percent of the plants are standard high-yielding clones to ensure profitability. The remaining thirty percent should consist of high-quality clones that enhance the flavor and market value of the finished tea, creating an optimal commercial output.

50. (C) Deep water-logged soils with high clay content and no drainage.
Pomegranate cultivation is best suited for semi-arid climates with hot and dry summers during the fruit ripening stage. While the plants are hardy, they are extremely sensitive to poor drainage and waterlogged conditions. Deep soils with high clay content that retain too much moisture can lead to root diseases and poor fruit quality, making well-drained loamy soils the preferred choice for orchards.

51. (B) Five to seven years
Loans provided for dairy development are structured to match the productive life and cash flow of the milking animals. These loans are typically recovered in monthly or quarterly installments over a period of five to seven years. This timeframe allows farmers to repay the principal and interest from the steady income generated by milk sales while maintaining the operational health of the unit.

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for projecting the growth and profitability of the sheep flock.

69. (A) Projecting flock strength to estimate costs and returns.
The primary purpose of a flock projection chart in poultry or sheep farming is to model the changes in the number of animals over time. By accounting for births, deaths, culling, and sales, this chart allows planners to estimate future feed requirements, labor needs, and potential revenue. It serves as the foundation for the project's financial analysis, ensuring that the scale of operations is sustainable.

70. (C) Both Statements (I) and (II) are true
Repayment structures for poultry loans are designed to accommodate the initial period without income. In layer farming, working capital for the first five to six months is capitalized because birds are not yet producing eggs. For broiler farming, where the production cycle is much shorter, the loan is typically repaid over five years without requiring a moratorium, as income begins generated very quickly.

71. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Proper preparation of a fish pond before stocking seeds is essential for maximizing survival rates. Practices such as repeated netting and the application of mahua oil cake are used to clear the water of unwanted or predatory species. This reduces competition for food and protects the young fish seeds from being consumed by predators, thereby ensuring a healthier environment for the intended fish crop.

72. (B) To ensure continuous and uniform annual milk production.
Purchasing dairy animals in staggered batches is a strategic management practice aimed at stabilizing milk output. By introducing animals at different times, the farmer can ensure that some cows are in their peak lactation period while others are dry. This results in a more uniform and continuous supply of milk throughout the year, which is essential for maintaining steady cash flow and meeting market demands.

73. (A) (I) and (II) only
Intensive goat rearing requires specific land and housing standards. One acre of irrigated land is sufficient to provide fodder for twenty-five goats. Elevating the shed with a slatted floor improves ventilation and hygiene. However, while deep litter systems are used in poultry, they are less common for goats as they can actually increase the risk of certain infections if not perfectly maintained.

74. (A) (I), (II), and (III), and (V) only
Broiler management requires strict attention to chick brooding, predator protection, and health maintenance through vaccinations and deworming. Sheds should be built on elevated land to prevent waterlogging. However, the typical repayment period for broiler loans is about five years, not fifteen. This reflects the rapid turnover and short production cycle of broilers, which allows for quicker recovery of the invested capital compared to other enterprises.

75. (C) Both Statements (I) and (II) are true
Intensive fish culture often utilizes multiple species that occupy different ecological niches to maximize production. Catla is a surface feeder that primarily consumes zooplankton, while Rohu is an omnivorous species and acts as a column feeder. By combining these species, farmers can ensure that all levels of the pond's natural food resources are efficiently utilized, leading to higher overall yields and reduced competition within the aquatic environment.

76. (B) (I), (II), and (IV) only
Automatic Milk Collection stations integrate weighing, fat testing, and computing to enhance efficiency and accuracy. These units are fully capable of measuring SNF and water content in addition to fat. They also facilitate modern financial transactions by allowing payment details to be sent directly to banks. This automation reduces manual errors and ensures that dairy farmers are paid promptly and fairly based on quality.

77. (B) 50 goats
Under an intensive goat rearing system, the carrying capacity of the land is determined by its ability to produce sufficient green fodder. Standard parameters suggest that one acre of

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61. (C) Deep litter system
The deep litter system is a common method of poultry housing where birds are kept on a floor covered with organic bedding material. This litter, typically consisting of paddy husk or wheat straw, is maintained at a depth of several inches. It helps in absorbing moisture from droppings and provides a comfortable environment for the birds. Regular stirring is necessary to keep the litter dry.

62. (A) (I), (II), and (III) only
Effective goat management involves constructing sheds on elevated ground with proper orientation for ventilation. A quarantine shed is essential for isolating new or sick animals to prevent disease spread. Using slatted floors with a pucca pit underneath facilitates the easy collection of manure and urine. While concentrates are important, goats must also be provided with green fodder to ensure a balanced and healthy diet.

63. (A) Ability to measure SNF content from 15% to 30% only.
Automatic Milk Collection stations are designed with precise technical specifications to ensure accurate quality testing. These units must measure fat content with high accuracy and handle a capacity of over one hundred operations per hour using standard power supplies. However, a requirement to measure SNF content specifically between fifteen and thirty percent is not a standard parameter, as normal milk SNF values are much lower.

64. (A) P-1, Q-2, R-3, S-4
Calculating the economics of a sheep unit requires accurate estimates of concentrate feed costs for different animal categories. Ewes and rams have higher nutritional requirements, with annual costs typically around eight hundred forty and seven hundred ninety rupees respectively. In contrast, the feed costs for male and female lambs are significantly lower, estimated at approximately two hundred eleven rupees each, reflecting their smaller size and growth.

65. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Rearing improved indigenous broiler birds is a viable option for small-scale farmers because these birds are well-adapted to the local environment. Their natural resistance to common diseases and adverse climatic conditions allows for the use of low-cost housing materials like bamboo and thatch. This reduces the initial capital investment required, making it an accessible and sustainable enterprise for resource-poor entrepreneurs in rural areas.

66. (A) Purchase of ocean-going trawlers for deep sea operations.
Bank financing for pisciculture typically focuses on inland pond development activities such as desilting, deepening existing ponds, and constructing water management infrastructure like inlets and outlets. These activities directly improve fish productivity in local water bodies. In contrast, the purchase of large ocean-going trawlers is categorized under marine fisheries rather than inland pisciculture and involves different technical and financial appraisal criteria.

67. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
In dairy development projects, the initial costs for animal feed during the first one or two months are often capitalized into the term loan. This is necessary because newly purchased animals may experience a transition period where milk production and subsequent income are not yet stabilized. Capitalizing these early operating expenses ensures that the farmer has sufficient working capital to maintain the animals' health.

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68. (B) An assumed inter-lambing period of nine months.
Technical parameters for sheep breeding units are based on biological cycles and management standards. A key assumption for a unit of one hundred animals is an inter-lambing period of approximately nine months. Other realistic parameters include an adult mortality rate of around five percent and a lamb mortality rate of fifteen percent. These estimates are essential

the young cashew seedlings from potential root damage during establishment.

35. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Providing irrigation during critical growth stages is essential for the successful establishment and productivity of citrus orchards. In the initial year, consistent moisture supports root development and plant health. Furthermore, timely watering during the fruiting phase is vital because it significantly reduces premature fruit drop and helps in achieving optimal fruit size, thereby directly influencing the commercial quality and yield.

36. (A) Lactation chart
A lactation chart is a vital planning tool used in dairy development projects to project the productivity of the herd over time. It tracks the number of animals that are currently milking versus those in their dry periods across different batches. This information allows farmers and lenders to estimate the expected milk yield and cash flow, ensuring the financial sustainability of the dairy unit.

37. (D) (I), (II), and (III), and (IV), and (V)
Land development encompasses various activities designed to enhance agricultural productivity and conserve resources. Fencing protects crops, while farm ponds provide essential water harvesting. Effective drainage systems prevent waterlogging and erosion. Specialized structures like contour trenches and stone walls are used for specific soil types. Additionally, professional engineering advice is necessary for large-scale operations like land levelling to ensure correct slopes and efficiency.

38. (D) Mrig bahar
In pomegranate cultivation, growers can regulate the flowering season to align with market demand and water availability. The flowering induced during the June-July period, coinciding with the monsoon rains, is known as Mrig bahar. This season is popular because the fruit develops during the following months when water is naturally available, leading to a harvest typically occurring between November and January.

39. (D) Crops like pineapple, banana, and tapioca can be grown up to 8-10 years.
Intercropping in coconut gardens is a common practice to maximize land use efficiency and farmer income. During the initial growth phase, which lasts up to eight or ten years, crops like pineapple, banana, and tapioca can be successfully grown between the palms. As the canopy closes, the choice of intercrops shifts to more shade-tolerant varieties until the palms reach full maturity.

40. (C) 1 m × 1 m × 1 m
For successful cashew plantation in hard lateritic soils, the size of the planting pit is crucial for root development. Agricultural standards recommend digging pits with dimensions of one meter by one meter by one meter. These large pits are then filled with a mixture of topsoil, organic manure, and fertilizers, providing the young plant with a favorable environment to establish itself.

41. (B) A range of 10% to 25% depending on the borrower category.
Margin money represents the portion of the project cost that the borrower must contribute from their own resources. In dairy development schemes, this requirement typically ranges from ten percent to twenty-five percent. The exact percentage depends on the category of the borrower, such as whether they are a small, marginal, or large-scale farmer, in accordance with the prevailing banking and regulatory guidelines.

42. (C) Harvesting, threshing, and winnowing.
A combine harvester is a versatile machine that significantly increases the efficiency of grain production. It derives its name from its ability to perform three distinct operations simultaneously in a single pass through the field. These operations include harvesting or reaping the crop, threshing to separate the grain from the stalks, and winnowing to remove the chaff from the clean grain.

43. (A) Coconut plantations thrive in shallow soils with underlying hard rock and frequent water stagnation.
Coconut palms require specific soil conditions to thrive, preferring deep, well-drained soils that allow for extensive root penetration. They are

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irrigated land can support approximately twenty-five goats. Therefore, a farmer with two acres of irrigated land can accommodate a maximum of fifty goats, ensuring that the animals receive adequate nutrition throughout the year from the farm.

78. (D) Birds are permanently kept in complete darkness to enhance egg production.
Poultry layer farming involves complex management stages, including brooding, growing, and laying. Key practices include purchasing day-old chicks and capitalizing early working capital expenses until egg production begins. However, keeping birds in permanent darkness is not a standard practice; instead, controlled lighting programs are used to stimulate and maintain optimal egg laying. Proper light management is crucial for the biological health and productivity of the flock.

79. (D) Margin money required — 50%
Financial and technical parameters for sheep breeding units include realistic mortality and culling rates. Standard expectations are five percent for adult mortality and fifteen percent for lambs, with a twenty percent culling rate for ewes. However, a margin money requirement of fifty percent is incorrect; typically, the borrower's contribution ranges between ten and twenty-five percent, making the scheme more accessible to small-scale rural entrepreneurs.

80. (D) The borrower's caste or religious affiliation.
Bankers determine the bankability of a poultry scheme by evaluating technical and financial factors. This includes the entrepreneur's experience, the project's financial soundness, and compliance with regulatory requirements. Factors such as the borrower's caste or religious affiliation are entirely irrelevant to the appraisal process. Decisions are based strictly on the economic viability of the proposal and the applicant's capacity to manage the venture successfully.

81. (C) Lime
In fish pond management, the application of lime is a critical corrective measure for acidic water and soil. Liming helps to raise the pH to a more productive level, typically between seven and eight. Additionally, it improves the overall health of the aquatic environment by increasing the soil's resistance to parasites and helping to clear the water of suspended organic matter, thereby enhancing productivity.

82. (A) Proximity to cooperatives, veterinary aid, and AI centres.
The location of a dairy farm significantly impacts its success and operational efficiency. Beneficiaries should ensure that the farm is situated near milk cooperatives for easy marketing and processing. Furthermore, close proximity to veterinary services and artificial insemination centres is essential for maintaining animal health and breeding cycles. Access to these support services reduces risks and helps in achieving consistent production and profitability.

83. (B) First 5 to 6 months
In layer poultry farming, there is a significant lag time between the purchase of day-old chicks and the start of egg production. During this growth period, the farmer incurs expenses for feed and medicine without any incoming revenue. Consequently, banks allow these working capital requirements to be capitalized into the term loan for the first five to six months until the birds reach maturity.

84. (C) Skills in flock management, protection, and shearing.
The managerial success of a sheep breeding scheme depends on practical agricultural skills rather than formal academic degrees or unrelated experience. Managers must possess expertise in flock management, including health monitoring and protection from predators. Additionally, proficiency in technical tasks like shearing is essential for maximizing the value of wool. These hands-on skills ensure the efficient operation of the unit and the financial sustainability of the project.

85. (C) 1560 sq. ft
Calculating the required shed area involves applying specific space standards for each animal category. For one hundred ewes at ten square feet each, the area is one thousand square feet. Four rams at twenty square feet each require eighty square feet. Finally, one hundred twenty lambs at four square feet each add four hundred eighty

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schemes in these regions is restricted because the available water potential is already fully exploited. Limiting additional wells in these areas is necessary to prevent long-term environmental damage and ensure the sustainability of existing water resources.

18. (B) II, III, I
The implementation phase of a project follows a chronological sequence beginning with the investment period, where capital is deployed to build infrastructure. This is followed by the development period, during which production begins to scale up and systems are refined. Finally, the project reaches full development, achieving its maximum planned output and operating at its steady-state capacity for the remaining life.

19. (D) The benefit-cost ratio analysis
The creditworthiness of a cooperative Lift Irrigation Society is primarily evaluated using the benefit-cost ratio. This financial indicator compares the total discounted benefits of the project to its total discounted costs over time. A ratio greater than one indicates that the project is economically viable and capable of generating sufficient returns to justify the investment and ensure the repayment of borrowed capital.

20. (B) 2 KVAR
For electric motors used in agricultural pumping, installing capacitors of the correct rating is essential for maintaining power factor efficiency. For motors with a capacity between three and five horsepower, a capacitor rated at two KVAR is generally recommended. This helps reduce energy losses in the transmission lines and improves the overall performance and longevity of the motor by optimizing current flow.

21. (C) They are typically used to drain water rapidly in arid regions to prevent waterlogging.
Bench terracing is a specialized land development technique employed on sloping terrains to manage water and soil. While often used for conservation, specific designs are implemented to facilitate rapid drainage in certain environments to prevent waterlogging of crops. These structures transform steep slopes into a series of manageable platforms, allowing for more intensive cultivation while protecting the land from uncontrolled surface runoff.

22. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Government subsidies are viewed as transfer payments in economic analysis because they do not reflect the actual consumption of physical resources. Instead, they represent a financial reallocation from taxpayers to the project participants. Excluding these transfers allows analysts to assess the project's true contribution to the national economy based on the real costs of inputs and the value of the outputs.

23. (D) Ensuring the borrower's ability to repay while maintaining adequate incentives for participation.
Shaping credit terms in agricultural projects aims to balance the financial viability of the lending institution with the economic reality of the farmer. The terms must be structured so that the borrower can realistically meet repayment obligations from the incremental income generated by the project. Simultaneously, these terms must leave the farmer with enough profit to provide a strong incentive for participation.

24. (D) There shall be an arrangement to safeguard the pipes, drippers, and accessories against theft, robbery, or fire.
Financing for micro-irrigation systems involves strict guidelines to ensure the security and performance of the investment. Because the components such as pipes and drippers are valuable and often located in open fields, banks require specific arrangements to protect them against theft or damage. This helps safeguard the collateral and ensures the system remains operational throughout the duration of the loan.

25. (D) (I), (II), and (III), and (IV)
The repayment period for minor irrigation schemes is determined by analyzing the incremental cash flow generated by the investment. Loans for wells are typically recovered over eleven to fifteen years, allowing for a gestation period where only interest is paid. Shorter repayment terms of around five years are applied when financing only a pump set, reflecting the shorter economic life of the machinery.

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94. (C) Spawn production → Compost preparation → Spawning → Spawn running → Casing → Fruiting
Button mushroom production follows a strict technical sequence to ensure successful yields. The process begins with spawn production in a laboratory, followed by the preparation of a specialized compost substrate. Once the compost is ready, spawning or seeding is performed, leading to a period of spawn running. Finally, a casing layer is applied to the beds, which eventually triggers the development of the mushrooms and their subsequent fruiting.

95. (B) Low investment and skills with part-time flexibility.
Bee keeping is an ideal supplementary income source for small farmers and hill dwellers due to its low initial capital requirements. It does not require large landholdings or expensive machinery, and the necessary skills can be easily acquired. Furthermore, the flexibility of the work allows individuals to manage colonies on a part-time basis without interfering with their primary agricultural activities, providing a significant economic boost to rural households.

96. (B) The long method of composting utilizes a steaming room where the air temperature is maintained at 60°C for 4 hours.
Compost for mushroom cultivation must achieve a specific nutrient balance, typically with a carbon-to-nitrogen ratio around sixteen to one in the final product. While the substrate is made from organic waste and supplements, the descriptions of composting methods vary. Specifically, the long method does not involve a steaming room for pasteurization; instead, that process is a characteristic of the short method of composting, which uses heat to kill pests.

97. (D) (I), (II), and (III), and (IV), and (V)
Cage aquaculture is a modern fishing technique suitable for various open water bodies, including both fresh and brackish water. Standard systems utilize specific cage dimensions and typically follow a culture period of six to eight months. Research by institutions like CMFRI has established these parameters, including an expected survival rate of seventy percent. This method offers a controlled environment for fish growth and allows for efficient management and harvesting.

98. (A) To prevent the lodgement of insects and vermin.
Technical specifications for rural godowns emphasize the importance of smooth, crack-free internal surfaces to maintain hygiene and protect stored grains. Cavities and rough surfaces can provide hiding places and breeding grounds for insects and vermin, which can lead to significant post-harvest losses. By ensuring walls are smooth, the risk of infestation is minimized, making it easier to clean the facility and apply necessary pest control measures.

99. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Placing bee hives in close proximity to flowering crops is a strategic management practice for beekeepers. When colonies are moved to the field at the start of the flowering period, the bees' travel time to collect nectar and pollen is significantly reduced. This conservation of energy allows the bees to perform more foraging trips, which maximizes honey production while simultaneously enhancing the pollination efficiency for the surrounding agricultural crops.

100. (C) Jyoti Gramodhyog Sansthan — Gangoh, Saharanpur Uttar Pradesh
Specialized training institutions are essential for promoting scientific beekeeping practices among farmers. One such recognized institution is Jyoti Gramodhyog Sansthan, located in Gangoh, Saharanpur, Uttar Pradesh. These centers provide practical education on colony management, disease control, and honey extraction techniques. Proper training ensures that entrepreneurs can effectively handle bees and maximize the production of honey and other valuable bee products in a sustainable and profitable manner.

101. (A) Deep Trench Spawning
Spawning is the process of mixing mushroom seed with the prepared compost substrate. Recognized techniques include spot spawning, where spawn is placed in specific locations, surface spawning, where it is spread on top, and layer spawning, which involves mixing it throughout the substrate in layers. Deep trench

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(A) Large Corporate Credit
(B) Real Estate Commercial Lending
(C) Capital Market Exposure
(D) Export Credit

May/June 2017

24. Which of the following statements is incorrect regarding lending by banks to NBFCs and MFIs for on-lending in agriculture?
(A) Bank credit to registered NBFC-MFIs is eligible for categorisation as priority sector advance.
(B) Bank credit to registered NBFCs (other than MFIs) towards on-lending for 'Term lending' component is allowed up to ₹10 lakh per borrower.
(C) The on-lending model will continue to be classified under Priority Sector till the date of repayment/maturity.
(D) On-lending by NBFCs for term lending is applicable to RRBs, UCBs, SFBs, and LABs.

Oct/Nov 2006

25. Which of the following statements is correct regarding the target for lending to Non-Corporate Farmers (NCFs) for FY 2022-23?
(A) The target is 8%.
(B) The target is 13.78%.
(C) The target is 10%.
(D) The target is 18%.

May/June 2021

26. Which of the following defines PSLCs in priority sector lending?
(A) Priority Sector Loan Categories
(B) Primary Sector Lending Corporations
(C) Priority Sector Loan Commitments
(D) Priority Sector Lending Certificates

Oct/Nov 2011

27. Which of the following is not an eligible category under priority sector lending?
(A) Consumer Durable Loans
(B) Renewable Energy
(C) Social Infrastructure
(D) Education

May/June 2010

28. Which category of banks is excluded from the provisions of the Master Directions on Priority Sector Lending?
(A) Salary Earners' Banks
(B) Regional Rural Banks (RRBs)
(C) Small Finance Banks (SFBs)
(D) Local Area Banks

Oct/Nov 2015

29. Which of the following statements is incorrect regarding Ancillary Services under Farm Credit?
(A) Loans up to ₹50 crore to Start-ups engaged in agriculture and allied services are eligible.
(B) Loans for Food and Agro-processing are subject to an aggregate sanctioned limit of ₹100 crore per borrower from the banking system.
(C) Loans up to ₹5 crore to co-operative societies of farmers for purchase of the produce of members are applicable to UCBs.
(D) Outstanding deposits under RIDF and other eligible funds with NABARD on account of priority sector shortfall are included.

May/June 2020

30. What is the target for lending to Micro Enterprises for Foreign banks with less than 20 branches?
(A) 7.5 per cent of ANBC or CEOBE whichever is higher
(B) 12 per cent of ANBC or CEOBE whichever is higher
(C) 40 per cent of ANBC or CEOBE whichever is higher
(D) Not applicable

Oct/Nov 2008

31. What is the most appropriate limit for housing loans to individuals in metropolitan centres to be eligible for priority sector classification, provided the overall cost of the dwelling unit does not exceed ₹45 lakh?
(A) Up to ₹35 lakh
(B) Up to ₹20 lakh
(C) Up to ₹25 lakh
(D) Up to ₹30 lakh

May/June 2008

32. Match the priority sector category in List-I with its corresponding loan limit in List-II:
List I: Priority Sector Category
P. Agriculture Infrastructure
Q. Ancillary Services (Start-ups)
R. Social Infrastructure (Schools/Drinking water)
S. Renewable Energy (Solar based power generators)

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evaporation, serving as an effective substitute for other materials like paraffin paper.

110. (C) Both Statements (I) and (II) are true
Civil engineering specifications for rural godowns are designed to facilitate logistics and ensure pest protection. Setting the plinth at approximately eighty centimeters above ground level allows for easier loading and unloading of grain bags from vehicles. Additionally, providing a stone or concrete slab projection at the plinth level serves as an effective physical barrier, preventing rats and other rodents from climbing into the storage area and damaging the crops.

111. (B) (I), (III), and (IV) only
During the spawn running phase, compost is typically placed in wooden trays or poly bags within a controlled environment. Successful growth requires maintaining a relative humidity of around ninety percent and a high carbon dioxide concentration, which favors mycelial development. However, the ideal temperature for this stage is generally lower than thirty-five degrees Celsius; excessive heat can damage the delicate mycelium and lead to failure of the crop.

112. (B) The yield increase is due to enhanced bee pollination.
The significant increase in yields for crops like mustard and sunflower when bee hives are present is primarily a result of improved pollination. Honey bees act as efficient cross-pollinators as they move from flower to flower collecting nectar. This process leads to better fertilization and seed set, resulting in higher crop productivity. Integrating beekeeping with agriculture thus provides a dual benefit of honey production and enhanced farm output through natural biological processes.

113. (D) (I), (II), and (III), and (IV), and (V)
Sericulture relies on various specialized tools to manage the life cycle of silkworms. Rearing stands and trays provide the necessary space for larval growth, while paraffin paper and foam strips help maintain humidity. Feathers are used for gentle handling of young worms, and cleaning nets facilitate bed maintenance. Finally, mountages are essential structures that provide the support required for mature silkworms to spin their silk cocoons during the final stage.

114. (B) Mountages: tools for picking larvae for hygiene.
In sericulture, each piece of equipment has a specific role. Rearing trays are containers for the worms, while chopping boards are used to prepare mulberry leaves. However, the description of mountages as tools for picking larvae is incorrect. Mountages, also known as chandrikas, are actually specialized frames or structures designed to provide the physical support that mature silkworms need to attach themselves and spin their cocoons during the pupation stage.

115. (D) Plinth shall be filled loosely with unrammed earth to allow natural moisture absorption.
Constructing a rural godown requires attention to site orientation and moisture control to protect stored grains. While factors like minimizing solar radiation and placing ventilators correctly are important, filling the plinth with loose, unrammed earth is a technical error. Instead, the plinth must be well-compacted and filled with appropriate materials to prevent moisture from rising through the floor, which could cause grain spoilage and structural instability over time.

116. (A) P-2, Q-1, R-4, S-3
Effective pond management involves using specific inputs to optimize the environment for fish. Mahua oil cake is utilized to eliminate unwanted predatory species. Lime is applied to correct acidity and kill parasites. For the fish themselves, different species are chosen for their feeding habits: Catla is a surface-dwelling zooplankton feeder, while Rohu is an omnivorous species that feeds in the middle water column to maximize resource utilization.

117. (D) Casing
After the mycelium has fully colonized the compost during the spawn running phase, a crucial step called casing is performed. This involves covering the beds with a thin layer of specialized soil or peat moss. The casing layer serves several purposes, including providing a moisture reservoir and creating a specific environment that triggers the transition from vegetative growth to the reproductive phase, leading to the formation of mushroom pins.

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spawning is not a recognized method in button mushroom cultivation, as it does not align with standard tray or bag growing practices.

102. (A) High relative humidity affects bee flight and the ripening of nectar.
Environmental factors play a crucial role in the success of a beekeeping venture. High relative humidity can be detrimental as it hinders the flight of bees and interferes with the natural process of nectar ripening into honey. Therefore, selecting a well-drained site with adequate shade and protection from extreme weather is essential. Understanding these technical requirements helps beekeepers manage their colonies more effectively and ensures consistent production of honey.

103. (A) P-1, Q-2, R-3, S-4
Maintaining safe distances between rural godowns and potential sources of contamination or fire is essential for grain safety. Guidelines specify a minimum of one hundred fifty meters from hay stacks or timber stores to prevent fire hazards. Distances of three hundred meters from dairies and five hundred meters from garbage dumps or slaughterhouses are required to prevent odors and pests from affecting the stored food products.

104. (D) The distance from residential areas must be exactly 50 m.
Rural godowns must be situated at specified distances from various facilities to ensure sanitary storage conditions. While there are strict minimum distance requirements from sources of pollution like kilns, bone-crushing mills, and garbage dumps, there is no technical mandate that the distance from residential areas must be exactly fifty meters. Site selection focuses more on avoiding contamination and ensuring easy access for transport while maintaining general fire safety standards.

105. (A) P-3, Q-4, R-2, S-1
Mushroom cultivation involves a series of distinct technical steps. Spawn production requires sterile laboratory conditions to develop the initial culture. Compost preparation involves blending organic materials to achieve a specific carbon-to-nitrogen ratio. Spawning is the actual mixing of this seed with the substrate. Finally, casing is the process of covering the colonized beds with a layer of soil to stimulate the development and fruiting of the mushrooms.

106. (B) Harvesting based on demand to avoid distress sales.
A major advantage of cage aquaculture is the flexibility it provides during the harvesting phase. Because fish are contained within a controlled structure, they can be harvested selectively based on current market demand. This allows farmers to avoid distress sales during periods of low prices and ensures a fresh supply of fish for consumers. This capability significantly improves the economic stability and profitability of the aquaculture enterprise.

107. (A) High disease susceptibility requiring strict hygiene.
Silkworms are extremely sensitive organisms with a high susceptibility to various bacterial and viral diseases. Therefore, maintaining strict hygiene in the rearing room is paramount for a successful cocoon harvest. Disinfecting the space with formaldehyde solutions helps eliminate pathogens before the larvae are introduced. This careful management ensures that the silkworms remain healthy throughout their growth stages, leading to the production of high-quality silk cocoons.

108. (A) Foot and mouth disease
Honey bees are vulnerable to various pests and pathogens, including tracheal mites, wax moths, and viral infections like the Thai sac brood virus. European foul-brood is another serious bacterial disease that affects the developing larvae. However, foot and mouth disease is a viral condition that specifically affects cloven-hoofed animals such as cattle and sheep; it is not a recognized disease that impacts honey bee colonies or their production.

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109. (D) Foam rubber strips dipped in water.
During the initial instar stages of silkworm rearing, maintaining high humidity in the beds is vital for the health of the young larvae. Farmers often use foam rubber strips that have been dipped in water to achieve this. These strips are placed around the edges of the rearing trays to provide a constant source of moisture through

CHAPTER 14
Priority Sector Lending

Oct/Nov 2018

1. Based on the 1980 advisory to public sector banks, what proportion of their advances were banks advised to aim for priority sectors by March 1985?
(A) 33.33 percent
(B) 40 percent
(C) 50 percent
(D) 60 percent

May/June 2024

2. Which of the following statements is correct regarding farm credit to corporate farmers, FPOs, and partnership firms?
(A) Loans for pre and post-harvest activities are subject to an aggregate limit of ₹5 crore per borrowing entity.
(B) Loans up to ₹75 lakh against pledge/ hypothecation of agricultural produce are allowed for a period not exceeding 24 months.
(C) Loans for pre and post-harvest activities are subject to an aggregate limit of ₹2 crore per borrowing entity.
(D) UCBs are permitted to lend to co-operatives of farmers up to ₹2 crore.

Oct/Nov 2005

3. What does CEOBE represent in the computation of priority sector targets?
(A) Capital Equivalent of Off-Balance Sheet Exposure
(B) Credit Exposure of Off-Balance Sheet Equivalents
(C) Credit Equivalent of Off-Balance Sheet Exposure
(D) Core Equity of Off-Balance Sheet Exposure

May/June 2013

4. Which of the following statements is incorrect regarding export credit classification under priority sector?
(A) Export credit under agriculture and MSME sectors is allowed to be classified as PSL in the respective categories.
(B) For domestic banks, incremental export credit up to 2 per cent of ANBC or CEOBE is eligible, subject to a limit of ₹40 crore per borrower.
(C) For foreign banks with 20 branches and above, export credit up to 32 per cent of ANBC or CEOBE whichever is higher is eligible.
(D) Export credit includes pre-shipment and post-shipment export credit excluding off-balance sheet items.

Oct/Nov 2021

5. For domestic commercial banks (excluding RRBs & SFBs), what is the target for the Total Priority Sector?
(A) 75 per cent of ANBC or CEOBE whichever is higher
(B) 40 per cent of ANBC or CEOBE whichever is higher
(C) 18 per cent of ANBC or CEOBE whichever is higher
(D) 12 per cent of ANBC or CEOBE whichever is higher

May/June 2007

6. Which of the following is not considered under the 'Others' category for priority sector classification?
(A) Loans not exceeding ₹1.00 lakh per borrower provided directly by banks to individuals.
(B) Loans to large corporate entities for setting up manufacturing units.
(C) Loans sanctioned to State Sponsored Organisations for Scheduled Castes/ Scheduled Tribes.
(D) Loans to distressed persons not exceeding ₹1.00 lakh per borrower to prepay their debt to non-institutional lenders.

Oct/Nov 2014

7. In the context of priority sector lending, what does the acronym ANBC stand for?
(A) Annual Net Bank Credit

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whereby banks can raise money/deploy short-term surplus
2. Loans sanctioned by banks to eligible intermediaries for onward lending
3. Total lending of the banks together with other investment made by the banks which are not its obligations
4. Certificates issued against priority sector loans for banks to meet their targets

(A) P-3, Q-1, R-4, S-2
(B) P-1, Q-3, R-2, S-4
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-4, R-3, S-1

May/June 2009

40. What is the most appropriate limit for bank loans to borrowers for purposes like solar based power generators and wind mills under Renewable Energy?
(A) Up to ₹10 crore
(B) Up to ₹15 crore
(C) Up to ₹20 crore
(D) Up to ₹30 crore

Oct/Nov 2023

41. Identify the incorrect pair regarding the targets for Primary Urban Co-operative Banks.
(A) March 31, 2021 - 45%
(B) March 31, 2022 - 50%
(C) March 31, 2023 - 75%
(D) March 31, 2024 - 75%

May/June 2019

42. Which of the following is not a feature of the non-achievement of priority sector targets?
(A) Interest rates on banks' contribution to RIDF are fixed by the Government of India.
(B) Shortfall in lending to priority sector is allocated for contribution to the Rural Infrastructure Development Fund (RIDF).
(C) Mis-classifications reported by the Reserve Bank's Department of Supervision would be adjusted/reduced from the achievement of that year.
(D) Non-achievement of priority sector targets will be taken into account while granting regulatory clearances for various purposes.

Oct/Nov 2018

43. Match the category of banks in List-I with their Total Priority Sector target in List-II:
List I: Bank Category
P. Foreign banks with less than 20 branches
Q. Regional Rural Banks
R. Small Finance Banks
S. Domestic commercial banks
List II: Priority Sector Target
1. 75 per cent of ANBC or CEOBE
2. 40 per cent of ANBC or CEOBE
3. 75 per cent of ANBC or CEOBE (with specific conditions for Medium Enterprises)
4. 40 per cent of ANBC or CEOBE (with specific export credit conditions)

(A) P-4, Q-3, R-1, S-2
(B) P-2, Q-1, R-3, S-4
(C) P-4, Q-1, R-3, S-2
(D) P-3, Q-4, R-2, S-1

May/June 2024

44. What is the most appropriate limit for bank credit to registered NBFCs (other than MFIs) towards on-lending for the 'Term lending' component under agriculture?
(A) Up to ₹10 lakh per borrower
(B) Up to ₹5 lakh per borrower
(C) Up to ₹15 lakh per borrower
(D) Up to ₹20 lakh per borrower

Oct/Nov 2005

45. Identify the correct pair regarding priority sector categories.
(A) Education - Loans up to ₹30 lakh
(B) Housing - Loans up to ₹45 lakh in other centres
(C) Social Infrastructure - Loans up to ₹10 crore per borrower for setting up schools
(D) Renewable Energy - Loans up to ₹30 crore per borrower

May/June 2013

46. Which of the following is not a condition for Co-lending by Banks and NBFCs to the priority sector?
(A) All Scheduled Commercial Banks (excluding SFBs, RRBs, UCBs and LABs) are permitted to co-lend.
(B) Foreign banks with less than 20 branches are excluded from co-lending arrangements.
(C) Co-lending is permitted with all registered Non-Banking Financial Companies (including Housing Finance Companies).
(D) Co-lending arrangements are advised to continue as per earlier guidelines on co-origination till a Board approved policy is in

NODIA

(D) Not applicable

Oct/Nov 2022

15. Which of the following is not a category of Weaker Sections under priority sector lending?
(A) Small and Marginal Farmers
(B) Artisans, village and cottage industries where individual credit limits do not exceed ₹1 lakh
(C) Beneficiaries of Differential Rate of Interest (DRI) scheme
(D) Medium Enterprises with an investment in plant and machinery up to ₹50 crore

May/June 2018

16. In the context of priority sector lending, what is the definition of a Wholly-Owned Subsidiary (WOS)?
(A) A foreign bank operating in India as locally incorporated
(B) A domestic bank acquired completely by the government
(C) A regional rural bank sponsored by a public sector bank
(D) A non-banking financial company owned by a commercial bank

Oct/Nov 2016

17. Which of the following statements is incorrect regarding Micro, Small and Medium Enterprises (MSMEs)?
(A) Overdraft to PMJDY account holders qualifies as achievement for lending to Medium Enterprises.
(B) The MSME definition is based on the Government of India Gazette Notification S.O. 2119 (E) dated June 26, 2020.
(C) Factoring transactions involving MSMEs through TReDS platforms are eligible for priority sector classification.
(D) Loans to units in the Khadi and Village Industries Sector are eligible under the 7.5 percent Micro sub-target.

May/June 2014

18. Who chaired the committee set up by the Reserve Bank of India in August 2011 to re-examine the existing classification and suggest revised guidelines for Priority Sector lending?
(A) Shri M V Nair
(B) Shri M. K. Jain
(C) Shri U.K. Sinha
(D) Shri Y S P Thorat

Oct/Nov 2007

19. Which of the following statements is correct regarding agriculture infrastructure loans?
(A) They are subject to an aggregate sanctioned limit of ₹50 crore per borrower from the banking system.
(B) They are subject to an aggregate sanctioned limit of ₹50 lakh per borrower from the bank.
(C) They are not subject to any aggregate sanctioned limit.
(D) They are subject to an aggregate sanctioned limit of ₹100 crore per borrower from the bank.

May/June 2025

20. What is the sub-target for lending to Small and Marginal Farmers (SMFs) for Regional Rural Banks?
(A) 7.5 per cent
(B) 8 per cent
(C) 10 per cent
(D) 12 per cent

Oct/Nov 2010

21. Which of the following investments by banks is not eligible for classification under priority sector?
(A) Investments in securitised assets representing loans to various categories of priority sector, except 'others'.
(B) Inter Bank Participation Certificates (IBPCs) bought by banks on a risk-sharing basis.
(C) Investments in bonds issued by NHB / HUDCO on or after April 1, 2007.
(D) Priority Sector Lending Certificates (PSLCs) bought by banks.

May/June 2005

22. In which year was the concept of priority sectors formalized on the basis of a report submitted by the informal study group on statistics?
(A) 1968
(B) 1971
(C) 1972
(D) 1974

Oct/Nov 2024

23. Which of the following is an eligible category under priority sector lending?

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(B) Adjusted Net Bank Credit
(C) Aggregate Net Bank Credit
(D) Authorized Net Bank Credit

May/June 2023

8. Which of the following statements is correct regarding the computation of Adjusted Net Bank Credit (ANBC)?
(A) Bills Rediscounted with RBI and other financial institutions are added to the Net Bank Credit.
(B) Investments made by public sector banks in Recapitalization Bonds are deducted.
(C) Outstanding Deposits under RIDF and other eligible funds are excluded from Net Bank Credit.
(D) Total Face Value of specific securities acquired under TLTRO 2.0 operations is added.

Oct/Nov 2009

9. Which of the following statements is incorrect regarding Small and Marginal Farmers (SMFs)?
(A) Marginal Farmers are defined as those farmers possessing a landholding of up to a maximum of 1 hectare.
(B) Loans to individuals engaged in Allied activities without land holding criteria up to ₹5 lakh are included.
(C) Small Farmers are defined as those farmers with a landholding of more than 1 hectare and up to 2 hectares.
(D) Loans to FPOs/FPC of farmers where the land-holding share of SMFs is not less than 75 per cent are included.

May/June 2016

10. By what date did the revised guidelines for Priority Sector Lending aim to align with the Sustainable Development Goals (SDGs)?
(A) September 4, 2020
(B) August 30, 2007
(C) March 31, 2021
(D) April 7, 2016

Oct/Nov 2025

11. Which of the following is not an exception under the common guidelines for priority sector loans?
(A) No loan related and ad hoc service charges/ inspection charges should be levied on priority sector loans up to ₹25,000.
(B) In the case of eligible priority sector loans to SHGs/JLGs, the ₹25,000 limit is applicable per member.
(C) A register/electronic record should be maintained by the bank wherein the date of receipt, sanction/rejection/disbursement is recorded.
(D) Banks are exempted from providing acknowledgement for loan applications received under priority sector loans.

May/June 2012

12. What is the definition of the Centralized Data Repository Agency (CDRA)?
(A) An agency established to systematically monitor and analyze trends in agricultural credit off-take.
(B) An agency specifically designed to evaluate and report on priority sector lending impact studies.
(C) An agency tasked to standardize branch and customer definitions using Uniform Code Numbers.
(D) An agency focused on the administration of fund deposits under the Rural Infrastructure Development Fund.

Oct/Nov 2019

13. Which of the following statements is correct regarding adjustments for weights in PSL Achievement?
(A) A higher weight of 125% is assigned to incremental priority sector credit in districts with per capita PSL less than ₹6,000.
(B) A lower weight of 90% is assigned to incremental priority sector credit in districts with per capita PSL less than ₹6,000.
(C) A higher weight of 125% is assigned to incremental priority sector credit in districts with per capita PSL greater than ₹25,000.
(D) A standard weight of 100% is uniformly assigned across all districts regardless of their individual per capita credit flow.

May/June 2006

14. What is the target for Agriculture lending for Small Finance Banks?
(A) 40 per cent of ANBC or CEOBE whichever is higher
(B) 18 per cent of ANBC or CEOBE whichever is higher
(C) 75 per cent of ANBC or CEOBE whichever is higher

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List II: Loan Limit
1. ₹30 crore per borrower
2. ₹5 crore per borrower
3. ₹100 crore per borrower
4. ₹50 crore per borrower

(A) P-3, Q-4, R-2, S-1
(B) P-4, Q-3, R-1, S-2
(C) P-2, Q-1, R-4, S-3
(D) P-1, Q-2, R-3, S-4

Oct/Nov 2017

33. Which of the following is not a feature of the COVID-19 measures for PSL?
(A) Banks were allowed to exclude the face value of securities kept in the HTM category from computation of ANBC if availed under TLTRO 2.0.
(B) The regulatory benefits announced under the SLF-MF scheme are restricted only to public sector banks.
(C) An on-tap liquidity window of ₹50,000 crore was opened to boost provision of immediate liquidity for healthcare infrastructure.
(D) Loans under the separate liquidity window of ₹15,000 crores for contact-intensive sectors will be classified under priority sector.

May/June 2015

34. Match the Bank Group in List-I with their Priority Sector Lending Achievement (in %) for 2020-21 in List-II:
List I: Bank Group
P. Public Sector Banks
Q. Private Sector Banks
R. Foreign Banks
S. Scheduled Commercial Banks (Total)
List II: Achievement Percentage
1. 40.54%
2. 41.06%
3. 40.62%
4. 41.02%
(A) P-2, Q-3, R-4, S-1
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-1, R-2, S-3

Oct/Nov 2013

35. What is the most appropriate treatment for mis-classifications of priority sector advances reported by the Reserve Bank's Department of Supervision?
(A) They are completely ignored for the current year and applied to next year's targets.
(B) They are added to the total achievement of the current year for statutory reporting.
(C) They result in an immediate penalty of ₹10 lakh per recorded instance of error.
(D) Adjusted from current year achievement for fund allocation in subsequent years.

May/June 2011

36. Identify the correct pair regarding priority sector targets for Domestic commercial banks.
(A) Micro Enterprises - 10 per cent of ANBC
(B) Advances to Weaker Sections - 12 per cent of ANBC
(C) Agriculture - 40 per cent of ANBC
(D) Small and Marginal Farmers - 18 per cent of ANBC

Oct/Nov 2020

37. Which of the following is not considered an eligible category for lending to Agriculture infrastructure?
(A) Loans for food and agro-processing
(B) Construction of warehouses
(C) Soil conservation and watershed development
(D) Market yards, godowns and silos

May/June 2022

38. Arrange the following milestones for Primary Urban Co-operative Banks' total priority sector targets in chronological order:
I. 50% target
II. 75% target
III. 45% target
IV. 60% target
(A) III, I, IV, II
(B) I, II, III, IV
(C) III, IV, I, II
(D) I, III, II, IV

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Oct/Nov 2012

39. Match the terms in List-I with their definitions in List-II:
List I: Priority Sector Terms
P. ANBC
Q. IBPC
R. PSLC
S. On-lending
List II: Definition
1. Short-term money market instrument

118. (D) (I), (II), and (III), and (IV)
Scientific research has demonstrated the profound impact of bee pollination on the productivity of various agricultural crops. Significant yield increases have been recorded across a wide range of species, including mustard, sunflower, cotton, and lucerne. Remarkably, crops like onion can see productivity gains as high as ninety percent due to the efficient transfer of pollen by honey bees. These findings highlight the critical role of bees in global food security and agriculture.

119. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Designing an appropriate rearing house is fundamental to successful silk production. Because silkworms are highly sensitive to fluctuations in temperature and humidity, the house must provide a stable micro-climate. Proper ventilation is necessary to remove carbon dioxide and excess moisture, while protection from direct sunlight and strong winds prevents sudden environmental shocks. These controlled conditions are essential for maintaining larval health and ensuring the production of high-quality silk cocoons.

120. (C) 500 m
To protect the quality and safety of stored food grains, rural godowns must be located away from industrial facilities that produce strong odors or pollutants. Regulations specify that a minimum distance of five hundred meters must be maintained between a grain storage facility and sites like tanneries, hide-curing centers, or garbage dumps. This buffer zone helps prevent the absorption of unpleasant smells and reduces the risk of contamination from pests or chemicals.

121. (D) Washing in a solution of 5g KMS in 10L of water.
Post-harvest handling of button mushrooms is critical because they are highly perishable and prone to discoloration. To remove soil particles and maintain the desirable white color, freshly harvested mushrooms are often washed in a solution of potassium metabisulphite. This treatment not only improves the aesthetic appeal for consumers but also helps in preserving the quality during packaging and transport, ensuring a longer shelf life in the retail market.

122. (A) P-3, Q-4, R-2, S-1
Mushroom cultivation involves a series of distinct technical steps. Spawn production requires sterile laboratory conditions to develop the initial culture. Compost preparation involves blending organic materials to achieve a specific carbon-to-nitrogen ratio. Spawning is the actual mixing of this seed with the substrate. Finally, casing is the process of covering the colonized beds with a layer of soil to stimulate the development and fruiting of the mushrooms.

123. (C) Retail standards mandate bulk packaging in India.
Harvesting white button mushrooms involves picking them when the caps are closed and reaching a specific size. This is done with a light twist to avoid disturbing the surrounding soil. After harvesting, gaps in the beds are filled with fresh casing material. However, the claim that retail standards mandate bulk packaging is incorrect; in India, button mushrooms for retail are typically packed in small, perforated poly bags to maintain freshness.

124. (A) Granular structure with 70% moisture and pH 7.5.
The quality of the final compost is a key determinant of mushroom yield. A well-prepared substrate obtained through the short method should have a granular structure that allows for good aeration. It must contain approximately seventy percent moisture to support mycelial growth and maintain a slightly alkaline pH of around seven point five. Additionally, the compost should be free from the smell of ammonia, which can inhibit spawn development.

125. (B) 60°C for 4 hours
During the short method of composting for button mushrooms, pasteurization is a critical phase conducted in a steaming room. This process requires maintaining an air temperature of sixty degrees Celsius for a duration of four hours. This specific heat treatment is designed to kill harmful pests, pathogens, and competitor molds while simultaneously facilitating the conversion of residual ammonia into microbial protein, resulting in a safe and nutritious substrate for the mushrooms.

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place.

Oct/Nov 2021

47. Match the Financial Year in List-I with the corresponding Small and Marginal Farmers target in List-II:

List I: Financial Year

P. 2020-21
Q. 2021-22
R. 2022-23
S. 2023-24

List II: Target Percentage

1. 9.5%
2. 10%
3. 8%
4. 9%

(A) P-3, Q-4, R-1, S-2
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-1, R-4, S-3

May/June 2007

48. What is the most appropriate limit for bank loans to the social infrastructure sector for setting up schools, drinking water facilities, and sanitation facilities?

(A) Up to ₹1 crore per borrower
(B) Up to ₹2 crore per borrower
(C) Up to ₹5 crore per borrower
(D) Up to ₹10 crore per borrower

Oct/Nov 2014

49. Match the housing loan limits in List-I with their respective centres in List-II:

List I: Loan Category

P. Loans to individuals in metropolitan centres
Q. Loans to individuals in other centres
R. Loans for repairs in metropolitan centres
S. Loans for repairs in other centres

List II: Loan Limit

1. Up to ₹10 lakh
2. Up to ₹6 lakh
3. Up to ₹35 lakh
4. Up to ₹25 lakh

(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-2, Q-1, R-4, S-3

May/June 2023

50. Arrange the following events related to the evolution of priority sector lending in chronological order:

I. RBI prescribed a modified return for reporting on priority sector advances.
II. National Credit Council emphasized commercial banks should increase involvement in priority sectors.
III. Union Finance Minister agreed that banks should aim at raising advances to priority sectors to 40 per cent.
IV. RBI advised banks to raise the share of priority sectors to 33 and one-third per cent.

(A) II, I, IV, III
(B) I, II, III, IV
(C) II, IV, I, III
(D) I, IV, II, III

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Oct/Nov 2009

51. Identify the incorrect pair regarding the computation of ANBC.

(A) Item III - Net Bank Credit
(B) Item IV - Outstanding Deposits under RIDF and other eligible funds
(C) Item IX - Bonds/debentures in non-SLR categories under HTM category
(D) Item VI - Advances extended in India against incremental FCNR (B)/NRE deposits

May/June 2016

52. What is the most appropriate limit for bank loans to individuals for educational purposes, including vocational courses, to be considered as eligible for priority sector classification?

(A) Not exceeding ₹10 lakh
(B) Not exceeding ₹20 lakh
(C) Not exceeding ₹15 lakh
(D) Not exceeding ₹25 lakh

Oct/Nov 2025

53. What is the most appropriate mechanism for monitoring Priority Sector Lending targets?

(A) Compliance is monitored on a monthly basis using data furnished specifically to NABARD.
(B) Monitoring on a quarterly basis using reports submitted to RBI at specific intervals.
(C) Compliance is monitored on a half-yearly basis based on data furnished to SIDBI and RBI.
(D) Compliance is monitored annually based

on the statutory audit report of the banking firm.

May/June 2012

54. Match the regulatory recommendations in List-I with their corresponding details in List-II:

List I: Recommendation Area

P. Sub-target for micro enterprises
Q. Target for agriculture and allied activities
R. Target for foreign banks
S. Maximum loan limit for agricultural produce pledge

List II: Prescribed Value

1. 18 per cent of ANBC or CEOBE
2. 40 per cent of ANBC or CEOBE
3. 7 per cent of ANBC or CEOBE
4. ₹20 lakh

(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-3, R-4, S-2
(C) P-2, Q-4, R-1, S-3
(D) P-4, Q-2, R-3, S-1

Oct/Nov 2019

55. Match the categories in List-I with their corresponding targets for Domestic commercial banks in List-II:

List I: Categories

P. Total Priority Sector
Q. Agriculture
R. Micro Enterprises
S. Advances to Weaker Sections

List II: Targets

1. 18 per cent of ANBC or CEOBE
2. 40 per cent of ANBC or CEOBE
3. 12 percent of ANBC or CEOBE
4. 7.5 per cent of ANBC or CEOBE

(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-4, R-1, S-3

May/June 2006

56. Which of the following is not a prescribed target for Primary Urban Co-operative Banks?

(A) 40 per cent of ANBC or CEOBE, whichever is higher, by March 31, 2021.
(B) 50 per cent of ANBC or CEOBE, whichever is higher, by March 31, 2022.
(C) 60 per cent of ANBC or CEOBE, whichever is higher, by March 31, 2023.
(D) 80 per cent of ANBC or CEOBE, whichever is higher, by March 31, 2024.

Oct/Nov 2022

57. Match the COVID-19 measure in List-I with its corresponding detail in List-II:

List I: COVID-19 Measure

P. TLTRO 2.0 scheme
Q. SLF-MF scheme
R. On-tap liquidity window (May 2021)
S. Separate liquidity window (June 2021)

List II: Detail

1. ₹15,000 crores for contact-intensive sectors
2. Exclude face value of securities from HTM category for ANBC computation
3. Extend regulatory benefits to all banks irrespective of funding source
4. ₹50,000 crore for healthcare infrastructure

(A) P-2, Q-3, R-4, S-1
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-1, S-3

May/June 2018

58. What is the most appropriate definition of 'With Recourse' factoring transactions eligible for classification under the MSME category?

(A) Transactions where the 'assignor' is a large corporate entity.
(B) Transactions where the 'assignee' is a priority sector borrower.
(C) Transactions where the 'assignor' is an MSME.
(D) Transactions where the 'assignee' is a foreign banking corporation.

Oct/Nov 2016

59. Match the Weaker Sections category in List-I with its corresponding limit in List-II:

List I: Weaker Section Category

P. Artisans, village and cottage industries
Q. Distressed persons other than farmers
R. Individual women beneficiaries
S. Self Help Groups

List II: Credit Limit

1. No specific limit mentioned
2. Up to ₹1 lakh per borrower
3. Up to ₹1 lakh per borrower to prepay debt
4. Individual credit limits do not exceed ₹1 lakh

(A) P-4, Q-3, R-2, S-1
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-1, R-4, S-2
(D) P-2, Q-4, R-1, S-3

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May/June 2014

60. What is the most appropriate treatment of inter bank participation certificates (IBPCs) bought by banks on a risk sharing basis relating to 'Export Credit'?

(A) They are not eligible for any form of classification under the priority sector.
(B) They can only be classified under the MSME category for regulatory compliance.
(C) Classified by the purchasing bank provided adequate due diligence is undertaken.
(D) They are automatically classified as agriculture credit by the purchasing bank.

Oct/Nov 2007

61. Read the following statements regarding Small and Marginal Farmers (SMFs):

I Marginal Farmers are those with landholding of up to 1 hectare.
II Small Farmers are those with a landholding of more than 1 hectare and up to 2 hectares.
III Loans up to ₹5 lakh to individuals solely engaged in Allied activities without any accompanying land holding criteria are included.

Which of the above statements are correct?
(A) (I) and (III) only
(B) (II) and (III) only
(C) (I), (II), and (III)
(D) (I) and (II) only

May/June 2025

62. Read the following statements regarding common guidelines for priority sector loans:

I Rate of interest will be as per directives issued by the Department of Regulation (DoR).
II No loan related and ad hoc service charges/ inspection charges should be levied on priority sector loans up to ₹25,000.
III For SHGs/JLGs, the ₹25,000 limit is applicable to the group as a whole.
IV A register/electronic record should be maintained for receipt, sanction, rejection, and disbursement.
V Banks should provide acknowledgement for loan applications received under priority sector loans.

Which of the above statements are correct?
(A) (I), (II), (III), and (IV) only
(B) (II), (III), (IV), and (V) only
(C) (I), (II), (IV), and (V) only
(D) (I), (III), (IV), and (V) only

Oct/Nov 2010

63. Read the following statements regarding Education and Housing loans under Priority Sector:

I Loans to individuals for educational purposes, including vocational courses, not exceeding ₹20 lakh are eligible.
II Housing loans to banks' own employees are eligible for classification under the priority sector.

Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2005

64. The following questions consist of two statements — one labelled as 'Assertion (A)' and the other as 'Reason (R)'. Select the correct answer using the codes given below.

Assertion (A): Foreign banks with less than 20 branches are required to achieve an Agriculture target of 18 per cent of ANBC or CEOBE.

Reason (R): Sub-targets vary across bank categories to account for their differing core strengths and reach.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2024

65. Read the following statements regarding Housing Loans under Priority Sector:

I Loans to individuals up to ₹35 lakh in metropolitan centres are eligible provided the overall cost of the dwelling unit does not exceed ₹45 lakh.
II Loans to individuals up to ₹25 lakh in other centres are eligible provided the overall cost does not exceed ₹30 lakh.
III Bank loans to any governmental agency for construction of dwelling units for slum clearance are eligible subject to dwelling units with carpet area of not more than 60

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sq.m.
IV Housing loans to banks' own employees are eligible for classification.
Which of the above statements are correct?
(A) (I), (II), and (IV) only
(B) (I), (II), and (III) only
(C) (II), (III), and (IV) only
(D) (I), (III), and (IV) only

May/June 2017

66. The following questions consist of two statements — one labelled as 'Assertion (A)' and the other as 'Reason (R)'. Select the correct answer using the codes given below.
Assertion (A): The target for Primary Urban Co-operative Banks (UCBs) for Total Priority Sector will be increased to 75 per cent of ANBC or CEOBE by March 31, 2024.
Reason (R): UCBs have historically underperformed in priority sector lending, necessitating a sharp and immediate increase in their statutory targets.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2006

67. Read the following statements regarding the computation of Adjusted Net Bank Credit (ANBC):
I Bank Credit in India is defined as prescribed in item No.VI of Form 'A' under Section 42(2) of the RBI Act, 1934.
II Bills Rediscounted with RBI and other approved Financial Institutions are deducted from Bank Credit in India to arrive at Net Bank Credit (NBC).
Which of the above statement(s) is/are correct?
(A) Both (I) and (II)
(B) Only (I)
(C) Only (II)
(D) Neither (I) nor (II)

May/June 2021

68. Read the following statements regarding Priority Sector categories:
I Education loans up to ₹20 lakh are eligible.
II Renewable Energy loans up to ₹30 crore per borrower are eligible.
III Social Infrastructure loans up to ₹5 crore per borrower for setting up schools are eligible.
IV Housing loans for repairs up to ₹10 lakh in metropolitan centres are eligible.
V Export credit for domestic banks is capped at 5 per cent of ANBC.
Which of the above statements are correct?
(A) (I), (II), (III), and (V) only
(B) (I), (II), (III), and (IV) only
(C) (II), (III), (IV), and (V) only
(D) (I), (III), (IV), and (V) only

Oct/Nov 2011

69. The following questions consist of two statements — one labelled as 'Assertion (A)' and the other as 'Reason (R)'. Select the correct answer using the codes given below.
Assertion (A): From FY 2021-22 onwards, a higher weight of 125% is assigned to incremental priority sector credit in identified districts where the credit flow is comparatively lower.
Reason (R): This adjustment aims to address regional disparities in the flow of priority sector credit at the district level.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2010

70. Read the following statements regarding Priority Sector Lending Certificates (PSLCs):
I Outstanding PSLCs bought by banks will be eligible for classification under respective categories of priority sector.
II SFBs may be guided by the terms and conditions specified in RBI circulars on credit risk transfer and portfolio sales/ purchases.
III PSLCs allow banks to meet their targets by physically transferring the underlying loan assets.
Which of the above statements are correct?
(A) (I), (III), and (IV) only
(B) (II) and (III) only
(C) (I) and (II) only

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(D) (I), (II), and (III)

Oct/Nov 2015

71. The following questions consist of two statements — one labelled as 'Assertion (A)' and the other as 'Reason (R)'. Select the correct answer using the codes given below.
Assertion (A): It was recommended to dispense with the Differential Rate of Interest (DRI) scheme.
Reason (R): The DRI scheme has become obsolete due to the relatively lower quantum of loan available and the absence of a subsidy component compared to other government sponsored schemes.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2020

72. Read the following statements regarding COVID-19 measures for PSL:
I Banks were allowed to exclude the face value of securities kept in the HTM category from computation of ANBC if availed under TLTRO 2.0.
II An on-tap liquidity window of ₹50,000 crore was opened with tenors of up to three years at the repo rate till March 31, 2022.
Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2008

73. Read the following statements regarding COVID-19 measures for PSL:
I Banks could exclude face value of securities kept in HTM category from ANBC computation if availed under TLTRO 2.0.
II Regulatory benefits under SLF-MF scheme extended to all banks.
III On-tap liquidity window of ₹50,000 crore was opened for healthcare infrastructure.
IV Separate liquidity window of ₹15,000 crores was opened for contact-intensive sectors.
V Loans under these schemes will not be classified under priority sector.
Which of the above statements are correct?
(A) (I), (II), (III), and (V) only
(B) (I), (II), (III), and (IV) only
(C) (II), (III), (IV), and (V) only
(D) (I), (III), (IV), and (V) only

May/June 2008

74. Read the following statements regarding bank loans to NBFCs for on-lending:
I Bank credit to registered NBFCs (other than MFIs) for on-lending is eligible for classification under priority sector.
II On-lending by NBFCs for 'Term lending' component under Agriculture will be allowed up to ₹10 lakh per borrower.
III On-lending by NBFCs for Micro & Small enterprises will be allowed up to ₹20 lakh per borrower.
IV Bank credit to NBFCs for on-lending is allowed up to an overall limit of ten percent of individual bank's total priority sector lending.
Which of the above statements are correct?
(A) (I), (II), and (IV) only
(B) (II), (III), and (IV) only
(C) (I), (II), and (III) only
(D) (I), (III), and (IV) only

Oct/Nov 2017

75. The following questions consist of two statements — one labelled as 'Assertion (A)' and the other as 'Reason (R)'. Select the correct answer using the codes given below.
Assertion (A): Outstanding deposits under RIDF and other eligible funds with NABARD are considered as part of the achievement of the priority sector shortfall.
Reason (R): Banks having any shortfall in lending to priority sector are allocated amounts for contribution to the RIDF established with NABARD.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

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and the other as 'Reason (R)'. Select the correct answer using the codes given below.
Assertion (A): Bank credit to registered NBFCs (other than MFIs) for on-lending to Micro & Small enterprises is allowed up to ₹20 lakh per borrower.
Reason (R): Allowing bank loans to non-bank financial intermediaries for on-lending helps in reaching out to a large number of micro-enterprises in a defined time-frame.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2013

88. Read the following statements regarding Non-Achievement of Priority Sector Targets:
I Banks having any shortfall shall allocate amounts for contribution to RIDF established with NABARD.
II The interest rates on banks' contribution to RIDF are fixed by the Reserve Bank of India.
III Shortfall/excess lending for each quarter will be monitored separately and a simple average will be considered for overall shortfall/excess at the end of the year.
Which of the above statements are correct?
(A) (I), (II), and (III)
(B) (I) and (II) only
(C) (I) and (III) only
(D) (II) and (III) only

Oct/Nov 2021

89. The following questions consist of two statements — one labelled as 'Assertion (A)' and the other as 'Reason (R)'. Select the correct answer using the codes given below.
Assertion (A): The priority sector was evolved to direct a part of the credit to agriculture and small-scale industries on a priority basis.
Reason (R): In the post-nationalization period, commercial banking facilities were adequately available to support the agricultural credit needs arising from the green revolution.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2007

90. Read the following statements regarding the computation of ANBC for UCBs:
I Item III is Net Bank Credit (NBC).
II Item IV represents Outstanding Deposits under RIDF and other eligible funds.
III Item VI represents Advances extended in India against incremental FCNR (B)/NRE deposits.
IV Item IX represents Face Value of securities acquired under TLTRO 2.0.
Which combination accurately reflects the formula ANBC for UCBs = III + IV - VI - IX + XI?
(A) Only (I), (II), and (III) are correctly defined.
(B) Only (I), (III), and (IV) are correctly defined.
(C) Only (II), (III), and (IV) are correctly defined.
(D) (I), (II), (III), and (IV) are all correctly defined.

Oct/Nov 2014

91. A domestic commercial bank sanctions an incremental export credit of ₹50 crore to a borrower over the corresponding date of the preceding year. Under priority sector lending guidelines, what is the maximum amount of this credit that can be classified as priority sector, assuming it does not exceed 2% of ANBC?
(A) ₹32 crore
(B) ₹50 crore
(C) ₹75 crore
(D) ₹40 crore

NODIA

May/June 2023

92. A primary urban co-operative bank (UCB) makes an investment in bonds issued by HUDCO on May 1, 2008. The UCB wants to classify this investment under priority sector. Is this permissible?
(A) Yes, all bank investments in HUDCO bonds are automatically eligible.
(B) Yes, provided the bonds are for designated affordable housing units.
(C) No, HUDCO/NHB bond investments after April 1, 2007 are not eligible.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2009

82. Read the following statements regarding bank targets for priority sector lending:
I Small Finance Banks have a Total Priority Sector target of 75 per cent of ANBC or CEOBE, whichever is higher.
II Regional Rural Banks have a Total Priority Sector target of 40 per cent of ANBC or CEOBE, whichever is higher.
III Foreign banks with less than 20 branches are not applicable for the Agriculture target.
Which of the above statements are correct?
(A) (I) and (II) only
(B) (I) and (III) only
(C) (II) and (III) only
(D) (I), (II), and (III)

Oct/Nov 2023

83. Read the following statements regarding Export Credit:
I Export credit under agriculture and MSME sectors is allowed to be classified as PSL in the respective categories.
II For domestic banks, incremental export credit up to 2 per cent of ANBC is eligible, subject to a limit of ₹40 crore per borrower.
III For foreign banks with less than 20 branches, export credit up to 40 per cent of ANBC is eligible.
IV Export credit includes both pre-shipment and post-shipment export credit excluding off-balance sheet items.
Which of the above statements are correct?
(A) (I), (II), and (III) only
(B) (II), (III), and (IV) only
(C) (I), (III), and (IV) only
(D) (I), (II), and (IV) only

May/June 2019

84. The following questions consist of two statements — one labelled as 'Assertion (A)' and the other as 'Reason (R)'. Select the correct answer using the codes given below.
Assertion (A): UCBs are permitted to lend to co-operatives of farmers under Farm Credit - Corporate farmers, FPOs, Partnership firms.
Reason (R): The guidelines aim to promote collective farming and ensure credit reaches large farming groups.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2018

85. Read the following statements regarding Weaker Sections:
I Artisans, village and cottage industries with credit limits up to ₹1 lakh are included.
II Beneficiaries of NRLM and NULM are included.
III Scheduled Castes and Scheduled Tribes are included.
IV Self Help Groups are included.
V Individual women beneficiaries up to ₹5 lakh per borrower are included.
Which of the above statements are correct?
(A) (I), (II), (III), and (IV) only
(B) (I), (II), (III), and (V) only
(C) (II), (III), (IV), and (V) only
(D) (I), (III), (IV), and (V) only

May/June 2024

86. Read the following statements regarding recommendations for priority sector lending:
I It was recommended that the target for domestic Scheduled Commercial Banks for lending to priority sector be retained at 40 per cent of ANBC or CEOBE.
II It was recommended to dispense with the Differential Rate of Interest (DRI) scheme.
Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2005

87. The following questions consist of two statements — one labelled as 'Assertion (A)'

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(UCMA)
(D) National Credit Review Agency (NCRA)

May/June 2014

102. A Start-up, as defined by the Ministry of Commerce and Industry, engaged in allied agricultural services, applies for a loan. What is the maximum loan limit that can be classified under Ancillary Services in agriculture?
(A) ₹5 crore
(B) ₹10 crore
(C) ₹50 crore
(D) ₹100 crore

Oct/Nov 2007

103. A farmer has a landholding of 1.5 hectares. To which category does this farmer belong for the purpose of priority sector lending?
(A) Marginal Farmer
(B) Small Farmer
(C) Medium Farmer
(D) Large Farmer

May/June 2025

104. Bank B has a total ANBC of ₹50,000 crore. It co-lends with a registered NBFC to the priority sector. Does the bank need to adhere to an overall cap for such on-lending?
(A) Yes, on-lending is capped at 5 percent of the individual bank's total priority sector lending.
(B) Yes, on-lending is capped at 10 percent of the individual bank's total priority sector lending.
(C) No, there is no cap on co-lending with registered NBFCs.
(D) Yes, it is capped at 2 percent of ANBC.

Oct/Nov 2010

105. In the year ended March 31, 2021, what was the total trading volume of Priority Sector Lending Certificates (PSLCs)?
(A) ₹1.98 lakh crore
(B) ₹2.26 lakh crore
(C) ₹5.89 lakh crore
(D) ₹10.50 lakh crore

May/June 2005

106. Bank A operates in a district where the per capita PSL is ₹4,500. The bank provides an incremental priority sector credit of ₹100 crore in this district during FY 2021-22. For the purpose of PSL achievement, what amount will this incremental credit be reckoned as?
(A) ₹125 crore
(B) ₹90 crore
(C) ₹100 crore
(D) ₹150 crore

NODIA

Oct/Nov 2024

107. Regarding housing credit needs, the majority of the required 25 million dwelling units in the country are estimated to be from which groups?
(A) High-Income Groups and other corporate entities.
(B) Middle-Income Groups and high-net-worth clients.
(C) Rural landless laborers and large landholders.
(D) Economically Weaker Sections and Low-Income Groups.

May/June 2017

108. An individual in a metropolitan centre (population 12 lakh) applies for a housing loan of ₹30 lakh. The overall cost of the dwelling unit is ₹50 lakh. Will this loan be eligible for priority sector classification?
(A) No, as the overall cost of the dwelling unit exceeds ₹45 lakh.
(B) Yes, because the loan amount requested is less than ₹35 lakh.
(C) Yes, because the metropolitan centre location criteria is met.
(D) No, because housing loans in urban centres are not eligible.

Oct/Nov 2006

109. A commercial bank buys Inter Bank Participation Certificates (IBPCs) from another bank on a risk-sharing basis. The underlying assets are eligible for categorization under agriculture. Can the purchasing bank classify these IBPCs under its priority sector achievement?
(A) No, IBPCs are explicitly excluded from priority sector classification.
(B) Yes, but only up to a maximum of 5% of its total calculated ANBC.
(C) No, only the issuing bank can claim the priority sector achievement.
(D) Yes, they are eligible for classification under respective categories.

(D) No, UCBs are strictly prohibited from making any bond investments.

Oct/Nov 2009

93. A farmer approaches a commercial bank for a loan against the pledge of agricultural produce using warehouse receipts (other than NWRs/ eNWRs). The loan is required for a period of 10 months. What is the maximum loan amount that the bank can classify under priority sector lending?
(A) ₹20 lakh
(B) ₹75 lakh
(C) ₹50 lakh
(D) ₹100 lakh

May/June 2016

94. What was the priority sector credit achievement percentage for Public Sector Banks for the year 2020-21?
(A) 41.06%
(B) 40.54%
(C) 40.62%
(D) 41.02%

Oct/Nov 2025

95. An individual applies for a loan of ₹20,000 under a priority sector scheme. The bank charges a processing fee (service charge) of ₹500. Is this action by the bank compliant with the common guidelines?
(A) Yes, as service charges can be levied on any amount at bank discretion.
(B) No, as service charges are prohibited on priority loans up to ₹25,000.
(C) Yes, because ₹500 is considered a nominal amount by most bank standards.
(D) No, as service charges are only exempt for specific loans over ₹25,000.

May/June 2012

96. Which PSLC categories observed the highest trading volumes for the year ended March 31, 2021?
(A) PSLC-agriculture and PSLC-micro enterprises
(B) PSLC-micro enterprises and PSLC-general
(C) PSLC-agriculture and PSLC-small and marginal farmer
(D) PSLC-general and PSLC-small and marginal farmer

Oct/Nov 2019

97. A domestic commercial bank with 25 branches has an Adjusted Net Bank Credit (ANBC) of ₹10,000 crore and a Credit Equivalent amount of Off-Balance Sheet Exposure (CEOBE) of ₹9,500 crore for the preceding year. What is the minimum Total Priority Sector target the bank must achieve?
(A) ₹4,000 crore
(B) ₹3,800 crore
(C) ₹7,500 crore
(D) ₹1,800 crore

May/June 2006

98. A Small Finance Bank (SFB) has an ANBC of ₹5,000 crore. Its lending to Medium Enterprises, Social Infrastructure, and Renewable Energy amounts to ₹800 crore. Under the SFB priority sector targets, how much of this ₹800 crore can be reckoned for priority sector achievement?
(A) ₹750 crore, which is 15% of ANBC.
(B) The entire ₹800 crore.
(C) ₹500 crore, which is 10% of ANBC.
(D) None, as SFBs cannot lend to these sectors.

Oct/Nov 2022

99. According to regulatory recommendations, what is the sub-target for small and marginal farmers within agriculture and allied activities?
(A) 7 per cent of ANBC or CEOBE
(B) 9 per cent of ANBC or CEOBE
(C) 8 per cent of ANBC or CEOBE
(D) 10 per cent of ANBC or CEOBE

May/June 2018

100. A bank sanctions a loan of ₹8 crore for building health care facilities under 'Ayushman Bharat' in a Tier III centre. Is this loan eligible for priority sector classification under Social Infrastructure?
(A) Yes, up to the full amount of ₹8 crore.
(B) Yes, but only up to ₹5 crore.
(C) No, because the limit for health care facilities is ₹5 crore.
(D) No, because Tier III centres are not eligible.

Oct/Nov 2016

101. To address issues in data reporting and ensure consistency, what agency was proposed for creation in the context of priority sector lending?
(A) Priority Sector Monitoring Agency (PSMA)
(B) Centralized Data Repository Agency (CDRA)
(C) Uniform Code Management Agency

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May/June 2015

76. Read the following statements regarding farm credit:

I Loans to individual farmers include Self Help Groups (SHGs) or Joint Liability Groups (JLGs).

II Loans up to ₹75 lakh against pledge/ hypothecation of agricultural produce are allowed for a period not exceeding 24 months against NWRs/eNWRs.

Which of the above statement(s) is/are correct?

(A) Only (II)
(B) Only (I)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2013

77. The following questions consist of two statements — one labelled as 'Assertion (A)' and the other as 'Reason (R)'. Select the correct answer using the codes given below.

Assertion (A): Housing loans to banks' own employees are not eligible for classification under the priority sector.

Reason (R): The objective of priority sector lending is to direct credit to sectors and segments of the population that lack adequate access to formal financial channels.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2011

78. Read the following statements regarding Weaker Sections:

I Small and Marginal Farmers are included in Weaker Sections.

II Beneficiaries of the Differential Rate of Interest (DRI) scheme are included.

III Individual women beneficiaries up to ₹5 lakh per borrower are included.

Which of the above statements are correct?

(A) (I) and (II) only
(B) (I) and (III) only
(C) (II) and (III) only
(D) (I), (II), and (III)

Oct/Nov 2020

79. Read the following statements regarding the computation of Adjusted Net Bank Credit (ANBC) for banks other than UCBs:

I Item III is Net Bank Credit (NBC).

II Item IV is Outstanding Deposits under RIDF.

III Item V is Eligible amount for exemptions on issuance of long-term bonds.

IV Item VII is Investments made by public sector banks in Recapitalization Bonds.

V The formula is ANBC = III + IV - (V+VI+VII) + VIII - IX + X.

Which of the above statements are correct?

(A) (I), (II), (III), and (IV) only
(B) (II), (III), (IV), and (V) only
(C) (I), (III), (IV), and (V) only
(D) (I), (II), (III), (IV), and (V)

May/June 2022

80. Read the following statements regarding regulatory recommendations for priority sector lending:

I Recommended target for small and marginal farmers within agriculture is equivalent to 9 per cent of ANBC or CEOBE.

II Recommended sub-target for micro enterprises is equivalent to 7 per cent of ANBC or CEOBE.

III Recommended allowing non-tradable Priority Sector Lending Certificates (PSLCs) on a pilot basis.

IV Recommended priority sector target for foreign banks will be 40 per cent of ANBC or CEOBE.

Which of the above statements are correct?

(A) (I), (II), (III), and (IV)
(B) (I), (II), and (III) only
(C) (II), (III), and (IV) only
(D) (I), (III), and (IV) only

Oct/Nov 2012

81. The following questions consist of two statements — one labelled as 'Assertion (A)' and the other as 'Reason (R)'. Select the correct answer using the codes given below.

Assertion (A): No loan related and ad hoc service charges/inspection charges should be levied on priority sector loans up to ₹25,000.

Reason (R): This exemption is intended to reduce the cost of borrowing for small borrowers under the priority sector.

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May/June 2021

110. During a financial year, a bank's priority sector lending achievement was 38% in Q1, 39% in Q2, 41% in Q3, and 42% in Q4. How will the overall achievement be calculated at the end of the year to determine any shortfall or excess?
(A) The achievement in Q4 (42%) will be considered as the final achievement.
(B) The lowest quarterly achievement (38%) will be considered.
(C) A simple average of all four quarters will be calculated.
(D) The average of the highest and lowest quarters will be calculated.

Oct/Nov 2011

111. What is the approximate level of food processing in India compared to the 60-80 per cent range observed in developed countries?
(A) 6 per cent
(B) 15 per cent
(C) 25 per cent
(D) 40 per cent

May/June 2010

112. A registered NBFC (other than MFI) receives bank credit for on-lending to Micro & Small enterprises. The NBFC intends to disburse a loan of ₹25 lakh to a small enterprise. How much of this loan disbursed by the NBFC will be eligible for priority sector classification by the lending bank?
(A) ₹10 lakh
(B) ₹20 lakh
(C) ₹25 lakh
(D) Nil, as the loan amount exceeds the prescribed limit.

Oct/Nov 2015

113. A bank provides a loan of ₹1.50 lakh to an individual borrower who is a member of an SHG in a rural area. The borrower's household annual income is ₹1.20 lakh. Can this loan be classified under the 'Others' category for priority sector?
(A) Yes, because the total loan amount is less than ₹2.00 lakh.
(B) No, the household income exceeds ₹1.00 lakh for rural areas.
(C) Yes, because the borrower is a registered member of an SHG.
(D) No, because the total loan amount exceeds the ₹1.00 lakh limit.

May/June 2020

114. What is the prescribed maximum loan limit against pledge/hypothecation of agricultural produce (non-NWR) for priority sector classification?
(A) ₹10 lakh
(B) ₹50 lakh
(C) ₹20 lakh
(D) ₹75 lakh

Oct/Nov 2008

115. An artisan requires a credit limit of ₹80,000 for his cottage industry. Under which specific sub-category of priority sector will this loan be classified?
(A) Micro Enterprises
(B) Agriculture Infrastructure
(C) Social Infrastructure
(D) Weaker Sections

May/June 2008

116. A corporate farming company requests a loan for purchasing agricultural machinery. What is the maximum aggregate limit per borrowing entity for such a loan to be classified under Farm Credit - Corporate farmers?
(A) ₹1 crore
(B) ₹5 crore
(C) ₹100 crore
(D) ₹2 crore

Oct/Nov 2017

117. What was the priority sector credit achievement percentage for Private Sector Banks for the year 2021-22 (Provisional data)?
(A) 41.05%
(B) 43.27%
(C) 42.45%
(D) 42.28%

May/June 2015

118. A borrower applies for a loan to install a solar-based power generator for their industrial unit. The requested loan amount is ₹35 crore. What is the maximum amount that can be classified under priority sector for Renewable Energy?
(A) Up to ₹30 crore
(B) Up to ₹10 crore
(C) Up to ₹15 crore
(D) Up to ₹35 crore

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Oct/Nov 2013

119. What is the definition of "All-inclusive interest" in the context of priority sector lending?
(A) It includes interest, processing fees, and all other service charges.
(B) It includes only the effective annual interest rate for the borrower.
(C) It includes the repo rate plus a fixed margin as per bank policies.
(D) It includes interest and penalty charges for any delayed repayments.

May/June 2011

120. A bank has a shortfall of ₹500 crore in achieving its Total Priority Sector target for the year. According to the guidelines, what action must the bank take?
(A) Shortfall will be allocated for contribution to RIDF or other funds.
(B) The bank must pay a penalty of ₹50 crore to the Reserve Bank of India.
(C) The target for the subsequent year will be increased by that amount.
(D) The bank must purchase PSLCs equivalent to the shortfall immediately.

Oct/Nov 2020

121. For Urban Co-operative Banks (UCBs), what is the target for advances to Weaker Sections?
(A) 10 per cent of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher.
(B) 15 per cent of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher.
(C) 12 per cent of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher.
(D) UCBs are exempt from Weaker Sections targets.

May/June 2022

122. Under COVID-19 measures for PSL, an on-tap liquidity window was opened. What was the interest rate applicable to these funds?
(A) Bank Rate
(B) Reverse Repo Rate
(C) Repo rate
(D) Marginal Standing Facility (MSF) rate

Oct/Nov 2012

123. In states where one of the notified minority communities is in a majority, how is the priority sector lending to minorities treated?
(A) Lending to the majority-minority community is excluded from specific targets.
(B) Lending to all minorities is counted under the general Weaker Sections category.
(C) Lending to the majority-minority community is given double weightage for state.
(D) The state is entirely exempt from meeting the minority lending sub-target goal.

May/June 2009

124. Under the Co-lending by Banks and NBFCs guidelines, banks are advised to continue existing arrangements as per earlier guidelines on co-origination until what event occurs?
(A) Until the Board approved co-lending policy is implemented.
(B) Until March 31, 2024, or the end of the financial year.
(C) Until RBI issues a new master circular on the matter.
(D) Until the government notifies a specific policy change.

Oct/Nov 2023

125. Which of the following is eligible to be classified under Priority Sector As an investment by a bank?
(A) Equity shares of a Micro Enterprise operating in the local area.
(B) Bonds issued by a large corporate for building a private hospital.
(C) Real estate investment trusts (REITs) listed on national exchanges.
(D) Securitised assets representing loans to various priority categories.

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ANSWERS

1. (B) 40 percent
In 1980, the Government of India issued an advisory to public sector banks to enhance their involvement in priority sectors. This directive aimed at ensuring that forty percent of total bank advances reached these specific areas by March 1985. This milestone was crucial for directing credit to sectors like agriculture and small-scale industries for development.

2. (C) Loans for pre and post-harvest activities are subject to an aggregate limit of ₹2 crore per borrowing entity.
Loans granted to corporate farmers, farmer producer organizations, and partnership firms for pre and post-harvest activities are classified under agriculture. The regulatory guidelines specify an aggregate sanctioned limit of two crore rupees per borrowing entity from the banking system. This distinction helps in managing large-scale credit flows to commercial agricultural entities effectively under priority lending norms.

3. (C) Credit Equivalent of Off-Balance Sheet Exposure
The acronym CEOBE refers to the Credit Equivalent of Off-Balance Sheet Exposure in banking regulations. It represents a standardized measure used alongside Adjusted Net Bank Credit to calculate priority sector lending targets. Banks must use the higher of these two values as the base for determining their specific lending obligations toward various categorized priority sectors annually.

4. (C) For foreign banks with 20 branches and above, export credit up to 32 per cent of ANBC or CEOBE whichever is higher is eligible.
Export credit guidelines specify different thresholds for various bank categories for classification under priority sector lending. For foreign banks with twenty branches and above, the total priority sector target is forty percent, identical to domestic banks. The thirty-two percent limit for export credit was previously applicable but does not align with current consolidated priority sector guidelines.

5. (B) 40 per cent of ANBC or CEOBE whichever is higher
Domestic commercial banks, excluding regional rural banks and small finance banks, are required to meet a total priority sector target of forty percent. This target is calculated based on the Adjusted Net Bank Credit or the Credit Equivalent of Off-Balance Sheet Exposure, taking whichever value is higher. This ensures a significant portion of credit supports national priorities.

6. (B) Loans to large corporate entities for setting up manufacturing units.
The others category in priority sector lending includes specific small-ticket loans like those for distressed persons to prepay non-institutional debt. Loans sanctioned to state-sponsored organizations for scheduled castes and tribes also qualify. However, credit provided to large corporate entities for industrial manufacturing does not fall under this category as it typically falls outside priority sector definitions.

7. (B) Adjusted Net Bank Credit
Adjusted Net Bank Credit is the primary benchmark used for calculating priority sector lending targets for banks in India. It is derived from the net bank credit by making specific adjustments for various investments and exemptions as prescribed by the central bank. This figure ensures that the lending targets reflect the actual credit capacity of the banking institutions.

8. (B) Investments made by public sector banks in Recapitalization Bonds are deducted.
When computing the Adjusted Net Bank Credit, public sector banks are permitted to deduct investments made in Recapitalization Bonds from their credit totals. This adjustment ensures that these specific government-mandated investments do not artificially inflate the base for priority sector lending obligations. Other items like bills rediscounted are handled differently according to the specific regulatory formula provided.

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26. (D) Priority Sector Lending Certificates
Priority Sector Lending Certificates are market-oriented instruments that allow banks to meet their lending targets. Banks that exceed their targets can sell these certificates to banks that have a shortfall. This mechanism enables a more efficient allocation of credit across the banking system without the physical transfer of loan assets, allowing banks to specialize in their comparative advantages.

27. (A) Consumer Durable Loans
Priority sector lending is designed to support socially and economically important sectors like agriculture, education, housing, and renewable energy. While these sectors receive focused credit support, consumer durable loans for personal items are not included. These loans do not align with the developmental objectives of the priority sector framework, which aims to promote productive activities and vulnerable populations.

28. (A) Salary Earners' Banks
The Master Directions on Priority Sector Lending apply to most categories of commercial and cooperative banks in India. However, Salary Earners' Banks are specifically excluded from these provisions. These banks have a limited scope of operations focused primarily on the credit needs of their member employees, making the standard priority sector lending targets inapplicable to their specialized model.

29. (C) Loans up to ₹5 crore to co-operative societies of farmers for purchase of the produce of members are applicable to UCBs.
Ancillary services under agriculture credit include loans to startups and food processing units. While specific limits exist for loans to cooperative societies for purchasing produce, the five crore rupee limit is not generally applicable to Urban Co-operative Banks in this context. The guidelines differentiate between bank types to ensure that credit delivery mechanisms remain appropriate for each institution.

30. (D) Not applicable
Foreign banks with fewer than twenty branches operate under a different set of priority sector lending requirements compared to larger banks. While they have an overall target of forty percent, specific sub-targets like the one for micro-enterprises are not individually mandated for this category. This flexibility allows smaller foreign banks to meet their total obligations through other eligible categories.

31. (A) Up to ₹35 lakh
Housing loans provided to individuals in metropolitan centres are eligible for priority sector classification up to a limit of thirty-five lakh rupees. This eligibility is conditional on the total cost of the dwelling unit not exceeding forty-five lakh rupees. These limits are periodically reviewed to reflect housing market conditions and ensure institutional credit supports affordable housing for urban populations.

32. (A) P-3, Q-4, R-2, S-1
Priority sector categories have specific loan limits per borrower. Agriculture infrastructure projects can receive up to one hundred crore rupees. Startups in the agricultural sector are eligible for loans up to fifty crore rupees. Social infrastructure projects like schools and drinking water facilities have a limit of five crore rupees. Renewable energy projects, such as solar power generators, are capped at thirty crore.

33. (B) The regulatory benefits announced under the SLF-MF scheme are restricted only to public sector banks.
During the COVID-19 pandemic, the Reserve Bank introduced liquidity measures to support the economy. The Special Liquidity Facility for Mutual Funds provided regulatory benefits that were extended to all banks, not just public sector ones. Other measures included excluding certain securities from calculation bases and opening liquidity windows for healthcare and contact-intensive sectors to ensure continued credit flow.

34. (A) P-2, Q-3, R-4, S-1
For the financial year 2020-21, public sector banks achieved a priority sector lending percentage of 41.06 percent. Private sector banks recorded an achievement of 40.62 percent. Foreign banks reached a level of 41.02 percent of their targets. Overall, the scheduled commercial banks as a group attained a combined priority sector lending achievement of 40.85 percent during this particular period.

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17. (A) Overdraft to PMJDY account holders qualifies as achievement for lending to Medium Enterprises.
Overdraft facilities provided to account holders under the Pradhan Mantri Jan Dhan Yojana are eligible for priority sector classification. However, these loans are specifically counted toward the micro-enterprises sub-target or the advances to weaker sections category, rather than medium enterprises. Medium enterprises follow distinct investment and turnover criteria that do not include small-value personal individual overdrafts.

18. (A) Shri M V Nair
The committee to re-examine priority sector lending classification was established by the Reserve Bank of India in 2011. It was chaired by Shri M. V. Nair, who was the then Chairman of Union Bank of India. The committee's recommendations were instrumental in revising the guidelines to make them more relevant to the changing economic landscape and national goals.

19. (D) They are subject to an aggregate sanctioned limit of ₹100 crore per borrower from the bank.
Agriculture infrastructure loans cover activities like building warehouses, cold storage units, and soil conservation projects. According to the revised priority sector lending guidelines, such loans are eligible for classification provided they do not exceed an aggregate sanctioned limit of one hundred crore rupees per borrower from the banking system. This allows for significant capital investment in agriculture.

20. (C) 10 per cent
Small Finance Banks have specific sub-targets for lending to small and marginal farmers. Currently, these banks are required to achieve a target of ten percent of their total credit toward this group. This focus ensures that the credit needs of the most vulnerable agricultural producers are met by institutions that are structurally designed to serve rural populations effectively.

21. (C) Investments in bonds issued by NHB / HUDCO on or after April 1, 2007.
While banks are encouraged to invest in sectors that support national priorities, certain limitations apply to the classification of these investments. Investments in bonds issued by the National Housing Bank or the Housing and Urban Development Corporation after April 1, 2007, are no longer eligible for priority sector status. This change directs banks toward direct lending or securitization instruments.

22. (C) 1972
The concept of priority sectors was formally established in 1972 following a report by the informal study group on statistics. This study group helped define the specific sectors, such as agriculture and small-scale industries, that required focused credit attention from the banking system. This formalization laid the groundwork for the structured lending targets commercial banks currently follow.

23. (D) Export Credit
Export credit is one of the recognized categories under priority sector lending guidelines. It includes pre-shipment and post-shipment credit provided to exporters to support international trade. Domestic and foreign banks have specific targets and limits for classifying such credit as priority sector lending, ensuring that the export sector receives adequate financial support to maintain its global competitiveness.

24. (D) On-lending by NBFCs for term lending is applicable to RRBs, UCBs, SFBs, and LABs.
The on-lending model for agriculture and other priority sectors allows banks to route credit through Non-Banking Financial Companies. However, this specific provision for term lending in agriculture is currently restricted to Scheduled Commercial Banks. Regional Rural Banks, Urban Co-operative Banks, Small Finance Banks, and Local Area Banks are not included in this particular on-lending framework for agricultural loans.

25. (B) 13.78%.
For the financial year 2023-24, a specific target was set for lending to Non-Corporate Farmers. This target was derived as a percentage of the total Adjusted Net Bank Credit or Credit Equivalent of Off-Balance Sheet Exposure. The system established this percentage at 13.78 percent to ensure that a substantial portion of agricultural credit reaches individual farmers and non-corporate entities.

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62. (C) (I), (II), (IV), and (V) only
Common guidelines for priority sector loans mandate that interest rates follow regulatory directives. Banks must not levy service charges on loans up to twenty-five thousand rupees, and for SHGs/JLGs, this limit applies per member. Additionally, banks must maintain records of all application statuses and provide a formal acknowledgement for every priority sector loan application received, ensuring procedural transparency.

63. (A) Only (I)
Education loans to individuals, including those for vocational courses, are eligible for priority sector classification up to a limit of twenty lakh rupees. However, housing loans provided by banks to their own employees are specifically excluded from such classification. This exclusion ensures that priority sector targets focus on directing credit to the general public rather than internal staff requirements.

64. (D) Assertion (A) is false, but Reason (R) is true.
Foreign banks with fewer than twenty branches are not required to meet the specific eighteen percent agriculture sub-target. Instead, they have an overall priority sector target of forty percent of their credit base. This flexibility acknowledges that different bank categories have varying strengths and operational reaches, necessitating tailored sub-targets to ensure effective implementation of priority sector lending policies.

65. (B) (I), (II), and (III) only
Housing loans qualify for priority sector status based on loan size, dwelling cost, and purpose. Eligible categories include individual loans within specified limits in metropolitan and other centres, and bank loans to government agencies for slum clearance projects with defined carpet areas. However, housing loans extended to a bank's own employees are consistently excluded from priority sector classification for reporting.

66. (C) Assertion (A) is true, but Reason (R) is false.
The total priority sector target for Primary Urban Co-operative Banks is indeed set to increase to seventy-five percent by March 31, 2024. This increase is part of a planned regulatory glide path designed to align their targets with those of regional rural banks. The change is not based on a history of underperformance, but rather on structural harmony.

67. (A) Both (I) and (II)
The calculation of Adjusted Net Bank Credit begins with the definition of bank credit in India as per the Reserve Bank of India Act. To arrive at the Net Bank Credit, banks must deduct bills that have been rediscounted with the Reserve Bank and other approved financial institutions. These standardized steps ensure the base figure for calculating obligations is accurate.

68. (B) (I), (II), (III), and (IV) only
Priority sector eligibility involves several specific thresholds across various categories. These include limits for education loans, renewable energy projects, and social infrastructure for schools. Housing repair loans in metropolitan centres also qualify up to ten lakh rupees. However, for domestic banks, the incremental export credit eligible for classification is generally capped at two percent of the lending base, not five.

69. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Starting from the financial year 2021-22, the Reserve Bank implemented a weighted system for priority sector lending achievement. Districts identified with lower per capita credit flow are assigned a higher weight of one hundred twenty-five percent. This policy is explicitly designed to incentivize banks to lend in these underserved areas, thereby addressing and reducing regional disparities in institutional credit.

70. (C) (I) and (II) only
Priority Sector Lending Certificates allow banks to meet their regulatory targets through a market-based mechanism. While the certificates are classified under the respective priority categories for the buyer, they do not involve the physical transfer of the underlying loan assets or risks. Small Finance Banks are also guided by specific circulars regarding credit risk transfer when participating in these transactions.

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35. (D) Adjusted from current year achievement for fund allocation in subsequent years.
Accurate reporting of priority sector lending is critical for regulatory compliance. If the Department of Supervision identifies any mis-classifications in a bank's reported advances, these errors are not ignored. Instead, the incorrect amounts are adjusted or reduced from the current year's achievement. This adjustment directly impacts the calculation of shortfalls and subsequent fund allocations to various developmental entities.

36. (B) Advances to Weaker Sections - 12 per cent of ANBC
Domestic commercial banks have specific sub-targets under the broader priority sector framework. One of these mandates is for advances to weaker sections, which is set at twelve percent of the Adjusted Net Bank Credit. This ensures that vulnerable segments of society receive a dedicated portion of institutional credit. Other targets, such as agriculture at eighteen percent, further define obligations.

37. (A) Loans for food and agro-processing
Agriculture infrastructure includes capital-intensive projects like constructing warehouses, market yards, silos, and cold storage units. It also covers soil conservation and watershed development activities. While food and agro-processing are related to agriculture, they are classified under the ancillary services category rather than infrastructure. This distinction helps in specific monitoring and limit application for various types of agricultural support.

38. (A) III, I, IV, II
The priority sector lending targets for Primary Urban Co-operative Banks are being increased in a phased manner. The timeline began with a target of forty-five percent by March 2021, followed by fifty percent by March 2022. The target then moves to sixty percent by March 2023, eventually reaching seventy-five percent by March 2024. This gradual increase helps banks adjust portfolios.

39. (A) P-3, Q-1, R-4, S-2
Priority sector terms have distinct definitions. Adjusted Net Bank Credit represents the total lending base including specific investments. Inter Bank Participation Certificates are short-term instruments for managing surplus or deficits. Priority Sector Lending Certificates are tradable instruments used to meet targets without asset transfer. On-lending involves bank loans provided to eligible intermediaries, such as microfinance institutions, for onward distribution.

40. (D) Up to ₹30 crore
Under the renewable energy category of priority sector lending, banks can provide loans to borrowers for purposes such as installing solar-based power generators, biomass plants, and wind mills. The maximum loan limit for these activities to be classified as priority sector is thirty crore rupees. For individual households, a lower limit applies, ensuring that the framework supports various projects.

41. (C) March 31, 2023 - 75%
The glide path for Total Priority Sector targets for Primary Urban Co-operative Banks is structured over several years. According to the current regulatory schedule, the target for March 31, 2023, is set at sixty percent, not seventy-five percent. The seventy-five percent milestone is only intended to be reached by March 31, 2024, representing the final stage of target increase.

42. (A) Interest rates on banks' contribution to RIDF are fixed by the Government of India.
When banks fail to meet their priority sector lending targets, the shortfall is allocated to funds like the Rural Infrastructure Development Fund. Contrary to some assumptions, the interest rates on these contributions are determined by the Reserve Bank of India, not the government. Non-achievement also impacts regulatory clearances and results in adjustments for any mis-classifications reported during supervisory inspections.

43. (A) P-4, Q-3, R-1, S-2
Total priority sector targets vary by bank type. Foreign banks with fewer than twenty branches must achieve forty percent with specific export credit rules. Regional rural banks have a seventy-five percent target with certain inclusions for medium enterprises. Small finance banks also aim for seventy-five percent of their credit base. Domestic commercial banks are required to maintain forty percent.

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44. (A) Up to ₹10 lakh per borrower
Scheduled Commercial Banks are allowed to classify loans provided to registered Non-Banking Financial Companies for on-lending as priority sector advances. For agricultural term lending, the limit is ten lakh rupees per individual borrower. This on-lending mechanism helps leverage the wide reach of NBFCs to provide credit to agricultural projects that might otherwise lack access to direct institutional bank financing.

45. (D) Renewable Energy - Loans up to ₹30 crore per borrower
Specific loan limits define the eligibility of various categories under priority sector lending. For renewable energy, the limit is thirty crore rupees per borrower. Other categories have different thresholds; for example, education loans are eligible up to twenty lakh rupees, and social infrastructure for schools is capped at five crore rupees. These limits ensure credit flow is targeted correctly.

46. (B) Foreign banks with less than 20 branches are excluded from co-lending arrangements.
Co-lending guidelines allow Scheduled Commercial Banks to partner with registered Non-Banking Financial Companies to provide credit to priority sectors. While certain bank types like small finance and regional rural banks are currently excluded from this specific framework, foreign banks are not explicitly barred based on their branch count. These arrangements aim to improve credit flow to unserved economy segments.

47. (A) P-3, Q-4, R-1, S-2
The sub-target for lending to small and marginal farmers is being increased progressively. For the financial year 2020-21, the target was eight percent. It rose to nine percent for 2021-22 and reached nine and a half percent in 2022-23. The final target in this progression is set at ten percent for the financial year 2023-24, ensuring steady growth.

48. (C) Up to ₹5 crore per borrower
Bank loans provided for social infrastructure projects are eligible for priority sector classification under specific conditions. Projects such as setting up schools, drinking water facilities, and sanitation facilities are covered. The eligibility limit for these loans is five crore rupees per borrower. This encourages banks to support essential community services that improve the quality of life in various regions.

49. (A) P-3, Q-4, R-1, S-2
Housing loan limits for priority sector eligibility vary by location and purpose. In metropolitan centres, loans up to thirty-five lakh rupees for construction and ten lakh rupees for repairs are eligible. In other centres, limits are twenty-five lakh rupees for construction and six lakh rupees for repairs. These variations account for differing costs of real estate and maintenance across regions.

50. (A) II, I, IV, III
The evolution of priority sector lending involved several key milestones. It began with the National Credit Council emphasizing bank involvement in 1968, followed by the introduction of a modified reporting return in 1970. In 1974, banks were advised to reach a thirty-three percent share. Finally, in 1980, the target was raised to forty percent, formalizing the current institutional credit structure.

51. (C) Item IX - Bonds/debentures in non-SLR categories under HTM category
In the computation of Adjusted Net Bank Credit, various items are specifically defined to arrive at the final figure. Item IX actually represents the total face value of specific securities acquired under TLTRO 2.0 operations, which are deducted. Defining Item IX as general bonds or debentures in the held-to-maturity category is incorrect according to the detailed regulatory formula used.

52. (B) Not exceeding ₹20 lakh
Loans granted to individuals for educational purposes, which includes academic courses and vocational training, are classified under the priority sector. To be eligible for this classification, the total loan amount must not exceed twenty lakh rupees. This limit is designed to ensure that the banking system provides adequate financial support for human capital development while focusing on broad student needs.

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53. (B) Monitoring on a quarterly basis using reports submitted to RBI at specific intervals.
The Reserve Bank of India monitors the performance of banks regarding their priority sector lending targets on a quarterly basis. Banks must submit detailed reports at specific intervals to ensure they are on track to meet their annual obligations. This frequent monitoring allows for timely corrective actions and helps maintain a steady flow of credit to prioritized sectors throughout the year.

54. (A) P-3, Q-1, R-2, S-4
Regulatory recommendations define specific targets and limits for priority sector activities. The sub-target for micro-enterprises is seven percent of the lending base. For agriculture and allied activities, the target is eighteen percent. Foreign banks generally have a forty percent overall target. Additionally, the maximum loan limit for agricultural produce pledge involving specific types of warehouse receipts is twenty lakh rupees.

55. (A) P-2, Q-1, R-4, S-3
Domestic commercial banks must adhere to multiple priority sector targets. The total priority sector obligation is forty percent of the lending base. Within this, eighteen percent is dedicated to agriculture and seven and a half percent to micro-enterprises. Additionally, twelve percent of the Adjusted Net Bank Credit must be directed toward advances for weaker sections, ensuring credit reaches vulnerable populations.

56. (D) 80 per cent of ANBC or CEOBE, whichever is higher, by March 31, 2024.
Primary Urban Co-operative Banks are currently following a phased increase in their total priority sector lending targets. The prescribed milestones include forty-five percent by 2021, fifty percent by 2022, and sixty percent by 2023. The final target in this transition is seventy-five percent by March 31, 2024. There is no regulatory requirement to reach eighty percent.

57. (A) P-2, Q-3, R-4, S-1
During the pandemic, several specialized measures were implemented. The TLTRO 2.0 scheme allowed for excluding certain securities from the lending base. The SLF-MF scheme provided regulatory benefits to all banks. A fifty-thousand-crore-rupee window was opened for healthcare infrastructure. Additionally, a separate fifteen-thousand-crore-rupee liquidity window was created to support contact-intensive sectors, with all such loans classified as priority sector advances.

58. (C) Transactions where the 'assignor' is an MSME.
Factoring transactions are eligible for priority sector classification under the MSME category if they meet certain criteria. In a 'with recourse' transaction, the assignor—the entity selling its receivables to the bank—must be an MSME. This ensures that the credit support provided through factoring directly benefits micro, small, and medium enterprises by improving their liquidity and managing trade receivables.

59. (A) P-4, Q-3, R-2, S-1
Various groups qualify under the weaker sections category with specific credit limits. Artisans and village industries are included if individual limits do not exceed one lakh rupees. Distressed persons can receive up to one lakh rupees to prepay non-institutional debt. Individual women beneficiaries are counted up to a limit of one lakh rupees. Self Help Groups are also included.

60. (C) Classified by the purchasing bank provided adequate due diligence is undertaken.
Inter Bank Participation Certificates bought on a risk-sharing basis are eligible for priority sector classification by the purchasing bank. This applies to various categories, including export credit. To claim this achievement, the purchasing bank must conduct adequate due diligence to ensure the underlying assets meet all priority sector criteria. This mechanism allows for flexible credit management while ensuring overall compliance.

61. (D) (I) and (II) only
Small and marginal farmers are defined by their landholding size. Marginal farmers possess up to one hectare, while small farmers hold between one and two hectares. While loans for allied activities are included, the current regulatory threshold for including individuals without landholding is two lakh rupees. Therefore, a five-lakh-rupee limit for such cases is not consistent with the established definition.

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9. (B) Loans to individuals engaged in Allied activities without land holding criteria up to ₹5 lakh are included.
For classification as small and marginal farmers, specific landholding limits are established, such as up to one hectare for marginal and up to two hectares for small farmers. While loans to individuals engaged in allied activities are included, the current limit for such inclusion without landholding criteria is two lakh rupees. Thus, higher limits do not qualify.

10. (A) September 4, 2020
The Reserve Bank of India issued revised guidelines for priority sector lending on September 4, 2020. These revisions aimed to align the lending framework with emerging national priorities and the global Sustainable Development Goals. The update expanded the categories and modified the weights assigned to various districts to encourage a more balanced and inclusive regional distribution of credit.

11. (D) Banks are exempted from providing acknowledgement for loan applications received under priority sector loans.
Common guidelines for priority sector lending require banks to follow standardized procedures for loan applications. This includes providing a formal acknowledgement to applicants for all priority sector loan requests received. Banks must also maintain a register to track the status of these applications, including details of receipt, sanction, or rejection, ensuring transparency and accountability in credit delivery.

12. (C) An agency tasked to standardize branch and customer definitions using Uniform Code Numbers.
The Centralized Data Repository Agency was proposed to standardize various data elements across the banking system. Its primary role involves creating uniform definitions for branches and customers through the implementation of Uniform Code Numbers. This standardization is essential for accurate data reporting, monitoring credit flow trends, and ensuring consistency in documentation across different banking institutions in India.

13. (A) A higher weight of 125% is assigned to incremental priority sector credit in districts with per capita PSL less than ₹6,000.
To address regional disparities, the Reserve Bank introduced an incentive framework for priority sector lending. Districts with a per capita credit flow of less than six thousand rupees are classified as low-credit flow districts. Incremental priority sector credit provided in these areas receives a higher weight of one hundred twenty-five percent, encouraging banks to focus on underserved regions.

14. (B) 18 per cent of ANBC or CEOBE whichever is higher
Small Finance Banks are mandated to achieve specific targets for agricultural lending similar to domestic commercial banks. They must allocate eighteen percent of their Adjusted Net Bank Credit or the Credit Equivalent of Off-Balance Sheet Exposure, whichever is higher, toward the agriculture sector. This ensures that these specialized banks contribute significantly to the credit needs of farmers.

15. (D) Medium Enterprises with an investment in plant and machinery up to ₹50 crore
The weaker sections category encompasses various vulnerable groups like small and marginal farmers, artisans with low credit limits, and beneficiaries of specific government schemes. While micro-enterprises and small-scale artisans are included, medium enterprises are not classified under weaker sections. Medium enterprises represent a larger scale of operations and investment that does not meet the socio-economic criteria.

16. (A) A foreign bank operating in India as locally incorporated
In the context of the Indian banking sector, a Wholly-Owned Subsidiary refers to a foreign bank that chooses to operate as a locally incorporated entity. These subsidiaries are subject to the same regulatory requirements as domestic commercial banks, including specific priority sector lending targets. This structure allows foreign banks to have a stable and integrated domestic presence.

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71. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
It was recommended to phase out the Differential Rate of Interest scheme because it has become largely obsolete. Other modern government-sponsored schemes now offer higher loan amounts and include subsidy components not available under the DRI framework. As a result, the scheme no longer effectively serves its original purpose of providing meaningful assistance to the lowest-income segments of society.

72. (C) Both (I) and (II)
During the COVID-19 pandemic, the Reserve Bank introduced critical liquidity and regulatory measures. Banks were allowed to exclude the face value of certain securities from their lending base calculations if they were part of specific operations. Additionally, an on-tap liquidity window was established to support healthcare infrastructure, providing funds at the repo rate to ensure access to credit.

73. (B) (I), (II), (III), and (IV) only
To mitigate the pandemic's impact, several measures were introduced, including excluding specific securities from credit base calculations and extending regulatory benefits to all banks. Liquidity windows were also opened for healthcare and contact-intensive sectors. Crucially, loans provided under these specific pandemic-related schemes are eligible for classification as priority sector advances, supporting the recovery of these vital economy segments.

74. (C) (I), (II), and (III) only
Bank credit to registered Non-Banking Financial Companies for on-lending is eligible for priority sector status under specific conditions. These include limits of ten lakh rupees for agricultural term lending and twenty lakh rupees for micro and small enterprises per borrower. While there is a cap on the total amount of such on-lending, it is generally set at five percent.

75. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Banks that fail to achieve their mandated priority sector lending targets must contribute the shortfall amount to the Rural Infrastructure Development Fund or other eligible funds. These outstanding deposits with NABARD are considered part of the bank's priority sector achievement in subsequent years. This mechanism ensures that required credit is still directed toward rural development through institutional fund allocation.

76. (B) Only (I)
Farm credit encompasses loans to individual farmers, which includes those extended to members of Self Help Groups and Joint Liability Groups. While loans against the pledge of agricultural produce are also eligible, the maximum period for such loans to be classified as priority sector is twelve months, not twenty-four. This ensures credit is used for short-term needs.

77. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The primary goal of priority sector lending is to ensure credit reaches underserved populations who lack adequate access to formal financial channels. Because bank employees already have access to institutional finance through their employer, providing them with housing loans does not fulfill this social objective. Therefore, such internal loans are excluded from priority sector classification to focus on public needs.

78. (A) (I) and (II) only
The weaker sections category includes various groups such as small and marginal farmers and beneficiaries of the Differential Rate of Interest scheme. While individual women beneficiaries are also included, the eligibility limit for their inclusion in this specific category is one lakh rupees per borrower. Therefore, a higher limit of five lakh rupees does not align with established criteria.

79. (D) (I), (II), (III), (IV), and (V)
The formula for computing Adjusted Net Bank Credit involves several specific components. It starts with Net Bank Credit and adds outstanding deposits in various rural funds. Adjustments are then made by deducting exemptions for long-term bonds, incremental foreign deposits, and investments in recapitalization bonds. Adding other eligible investments and deducting specific

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(C) Universality and unconditionality
(D) Targeted allocation and conditionality

May/June 2017

15. Which statement correctly reflects a programmatic feature of MGNREGS in specific geographical areas?
(A) It restricts employment to 50 days in areas experiencing severe floods
(B) It exclusively targets urban unemployed youth in special category states
(C) It guarantees 200 days of employment for households holding Jan Dhan accounts
(D) It provides 150 days of guaranteed employment per year in drought-affected areas

Oct/Nov 2005

16. How is Universal Basic Income (UBI) conceptually defined?
(A) A regular, equal financial grant provided to all citizens regardless of their economic status or means
(B) A targeted financial transfer given exclusively to households below the poverty line after a strict means test
(C) A wage employment program providing a legally stipulated minimum wage to the unemployed rural population
(D) An emergency relief package offering unconditional loans to marginalized communities through direct bank transfers

May/June 2020

17. Which statement correctly presents the findings regarding food security in India as of 2020?
(A) 189.2 million people, which is about 14% of the population, are undernourished in India
(B) 14.5 million children are classified as undernourished in the country
(C) 34.7% of women in reproductive age are stunted
(D) 51.4% of children under five suffer from wasting

Oct/Nov 2015

18. What is India's rank out of 116 countries in the Global Hunger Index 2021?
(A) 101
(B) 104
(C) 111
(D) 94

May/June 2013

19. How were APL and BPL families treated differently regarding the economic cost of food grains under TPDS effective from April 2000?
(A) Both BPL and APL families received allocation at 50% of the economic cost
(B) BPL families received free food grains, while APL families paid 50% of the economic cost
(C) BPL allocations were at full economic cost, whereas APL allocations were completely discontinued
(D) BPL families paid 50% of the economic cost, while APL families paid the full economic cost

Oct/Nov 2021

20. What strategic shift characterizes the implementation of the DAY-NRLM compared to its predecessor schemes?
(A) Adopting a demand-driven strategy allowing states to design their own poverty reduction action plans
(B) Moving towards a top-down centralized planning approach
(C) Replacing institutional capacity building with unconditional universal basic income
(D) Exclusively focusing on urban self-employment ventures at the expense of rural livelihoods

May/June 2024

21. Which statement accurately describes a core objective and provision of the Pradhan Mantri Jan Aushadhi Yojana (PMJAY)?
(A) It provides free branded medicines exclusively through government hospitals
(B) It offers a monthly cash subsidy of ₹2,500 to patients purchasing life-saving drugs
(C) It opens 3,000 stores to sell 500+ medicines at significantly lower than market prices
(D) It prohibits private hospitals and NGOs from opening Jan Aushadhi stores

Oct/Nov 2008

22. Based on the Tendulkar Committee methodology using specific sample survey data, what was the incidence of poverty in India in 2011-12?
(A) 37.2%
(B) 21.9%
(C) 51.4%
(D) 34.7%

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Infrastructure Development Fund, where the Reserve Bank determines applicable interest rates. To ensure consistent performance, the central bank monitors lending achievement on a quarterly basis. The final annual achievement is calculated as a simple average of these four quarters, providing a balanced view of performance.

89. (C) Assertion (A) is true, but Reason (R) is false.
The priority sector framework was created to direct credit toward vital areas like agriculture and small industries. However, the reason for this was that in the post-nationalization period, commercial banking facilities were actually inadequate to meet the surging credit needs of the green revolution. This credit gap necessitated mandatory targets to ensure agricultural development received sufficient institutional backing.

90. (D) (I), (II), (III), and (IV) are all correctly defined.
The calculation of Adjusted Net Bank Credit for Urban Co-operative Banks follows a specific regulatory formula. It includes Net Bank Credit and outstanding deposits while deducting several items. These deductions cover advances against certain foreign deposits and specific securities from liquidity operations. Correctly identifying each of these components is essential for accurate reporting of priority sector regulatory compliance.

91. (D) ₹40 crore
For domestic commercial banks, incremental export credit is eligible for priority sector classification up to a specific limit. While a bank may provide a larger amount, current guidelines cap the eligible portion at forty crore rupees per borrower. This limit ensures that while export growth is supported, priority sector benefits are distributed across multiple borrowers and not single large accounts.

92. (C) No, HUDCO/NHB bond investments after April 1, 2007 are not eligible.
Banks often seek to meet priority sector targets through various investments. However, regulations specify that investments in bonds issued by the Housing and Urban Development Corporation or the National Housing Bank are no longer eligible for priority sector classification if made on or after April 1, 2007. This policy shift encourages banks to engage in direct lending to the sector.

93. (C) ₹50 lakh
Loans granted to farmers against the pledge or hypothecation of agricultural produce are eligible for priority sector classification. When security used is a traditional warehouse receipt rather than a Negotiable Warehouse Receipt, the maximum eligible amount is fifty lakh rupees. For classification, the loan duration must not exceed twelve months, ensuring it supports short-term post-harvest liquidity needs for producers.

94. (A) 41.06%
Public sector banks in India demonstrated strong compliance with priority sector lending mandates for the financial year 2020-21. According to official data, this group of banks achieved a priority sector lending percentage of 41.06 percent. This achievement surpassed the mandatory forty percent target, reflecting the significant role these institutions play in directing credit to prioritized national segments.

95. (B) No, as service charges are prohibited on priority loans up to ₹25,000.
Regulatory guidelines explicitly state that banks should not levy any loan-related or ad hoc service charges, including processing fees, on priority sector loans up to twenty-five thousand rupees. Charging a fee on a twenty-thousand-rupee loan is a violation of these common guidelines, which are designed to minimize the cost of borrowing for the smallest economic participants.

96. (D) PSLC-general and PSLC-small and marginal farmer
The market for Priority Sector Lending Certificates involves different categories based on underlying loan types. For the year ending March 31, 2021, the highest trading volumes were observed in the general and the small and marginal farmer categories. These volumes reflect areas where banks frequently either have surpluses to sell or need to purchase certificates for regulatory sub-targets.

97. (A) ₹4,000 crore
The total priority sector target for a domestic commercial bank is forty percent of the higher

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securities completes the calculation for regulatory reporting.

80. (A) (I), (II), (III), and (IV)
Regulatory recommendations have proposed various targets to refine priority sector lending. These include setting specific sub-targets for small and marginal farmers and micro-enterprises at nine percent and seven percent respectively. Other suggestions involve introducing Priority Sector Lending Certificates to enhance market efficiency and establishing a forty percent overall target for foreign banks, ensuring a comprehensive lending framework.

81. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
To support small-scale borrowers, banks are prohibited from levying service or inspection charges on priority sector loans that do not exceed twenty-five thousand rupees. This exemption is a deliberate policy choice to lower the overall cost of credit for those with limited financial means. By reducing these additional costs, institutional credit becomes more accessible for very small borrowers.

82. (B) (I) and (III) only
Different bank categories have unique priority sector obligations. Small Finance Banks are required to achieve a total target of seventy-five percent. Foreign banks with fewer than twenty branches are exempt from the sub-target for agriculture. However, Regional Rural Banks also have a seventy-five percent total target, not forty percent, reflecting their primary mission to serve rural economies.

83. (D) (I), (II), and (IV) only
Export credit eligibility for priority sector classification involves specific rules. It can be classified under agriculture or MSME categories if the borrower belongs to those sectors. For domestic banks, incremental export credit is eligible up to a two percent cap. While it includes pre and post-shipment credit, the limit for foreign banks with fewer than twenty branches is higher.

84. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Urban Co-operative Banks are allowed to extend credit to cooperatives of farmers, including farmer producer organizations and partnership firms. This provision is designed to encourage collective farming practices and ensure that institutional credit reaches larger groups of farmers working together. Supporting these entities helps improve the efficiency and scale of agricultural operations through better access to financial resources.

85. (A) (I), (II), (III), and (IV) only
The weaker sections category is broadly defined to include various vulnerable and marginalized groups. This includes low-limit artisans, beneficiaries of national livelihoods missions, scheduled castes, scheduled tribes, and self-help groups. While individual women are also included, their eligibility is specifically capped at a limit of one lakh rupees per borrower. Higher limits are not part of this definition.

86. (C) Both (I) and (II)
Major regulatory recommendations include maintaining the forty percent total priority sector target for domestic scheduled commercial banks to ensure continued credit focus. Simultaneously, it was recommended to discontinue the Differential Rate of Interest scheme. These dual approaches aim to preserve the core objectives of the framework while modernizing implementation by removing outdated and less effective credit mechanisms.

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87. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Allowing banks to provide credit to Non-Banking Financial Companies for on-lending to micro and small enterprises is a strategic policy. NBFCs often have a more extensive and specialized reach into local markets, allowing them to distribute credit more quickly than banks. This partnership enables the banking system to fulfill obligations while ensuring smaller enterprises receive timely financial support.

88. (A) (I), (II), and (III)
Shortfalls in meeting priority sector targets lead to mandatory contributions to the Rural

reckoned as one hundred twenty-five crore for achievement.

107. (D) Economically Weaker Sections and Low-Income Groups.
Estimates suggest that a majority of the required twenty-five million dwelling units in India are needed by the economically weaker sections and low-income groups. Addressing this housing shortage requires institutional credit. Priority sector lending guidelines for housing are designed to support these segments by providing affordable credit for construction and purchase of modest housing units across the country.

108. (A) No, as the overall cost of the dwelling unit exceeds ₹45 lakh.
In metropolitan centres, individual housing loans are eligible for priority sector status up to a limit of thirty-five lakh rupees. However, this is strictly subject to the condition that the total cost of the dwelling unit does not exceed forty-five lakh rupees. Since the overall cost in this scenario is fifty lakh rupees, the loan cannot be classified as priority sector.

109. (D) Yes, they are eligible for classification under respective categories.
Inter Bank Participation Certificates represent a tool for banks to manage credit exposure and liquidity. When a bank buys these certificates on a risk-sharing basis, and the underlying assets are eligible priority sector loans, the purchasing bank can classify them under its own achievement. This applies to various categories, provided the bank conducts proper due diligence on the underlying assets.

110. (C) A simple average of all four quarters will be calculated.
To determine a bank's annual compliance with priority sector lending targets, the Reserve Bank of India does not look only at the final quarter's performance. Instead, achievement level is monitored for each of the four quarters. At the end of the financial year, a simple average of these quarterly achievements is calculated to establish the final shortfall or excess.

111. (A) 6 per cent
Food processing is a critical segment for adding value to agricultural produce. However, in India, current level of food processing is estimated to be approximately six percent. This is significantly lower than the sixty to eighty percent range found in many developed countries. Recognizing this gap, regulators encourage credit flow to this sector through inclusion in priority sector lending.

112. (B) ₹20 lakh
When a bank provides credit to a Non-Banking Financial Company for on-lending to micro and small enterprises, specific limits apply for priority sector classification. For each individual borrower from the NBFC, the maximum amount the bank can claim as priority sector achievement is twenty lakh rupees. Any amount disbursed by the NBFC beyond this limit per borrower is not eligible.

113. (B) No, the household income exceeds ₹1.00 lakh for rural areas.
Under the others category, loans to individual members of self-help groups must meet specific income criteria. For rural households, the annual income limit is one lakh rupees. Since the borrower's household income is one lakh twenty thousand rupees, the loan does not qualify for this classification, regardless of the amount or the borrower's specific group membership.

114. (B) ₹50 lakh
Agricultural produce loans involving pledge or hypothecation of goods are eligible for priority sector status. When the security used is a traditional warehouse receipt rather than a Negotiable Warehouse Receipt or electronic Negotiable Warehouse Receipt, the maximum loan limit is fifty lakh rupees per borrower. This limit supports the short-term financing needs of individual farmers and small-scale producers.

115. (D) Weaker Sections
Credit provided to artisans and those engaged in village and cottage industries is categorized under the weaker sections sub-target of priority sector lending. To qualify for this specific classification, the individual credit limit for the borrower must not exceed one lakh rupees. Since the artisan's requested limit is eighty thousand rupees, it fits perfectly within this criteria.

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CHAPTER 15
Poverty Alleviation Programs

May/June 2023

1. In which month and year was the Deendayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) launched?
(A) November 2015
(B) April 2013
(C) March 2016
(D) September 2014

Oct/Nov 2014

2. How does the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) actualize the "right to work"?
(A) By providing mandatory permanent government jobs to one member of every rural household
(B) By offering highly skilled contractual employment to rural youth in the organized sector
(C) By guaranteeing 100 days of unskilled manual work per year to any volunteering rural household
(D) By distributing unconditional unemployment allowances equal to 100 days of minimum wages

May/June 2005

3. What is the core definition of the Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM)?
(A) A rural housing program aimed at building concrete shelters for the urban and rural poor
(B) A flagship scheme focused solely on providing subsidized food grains to rural agricultural laborers
(C) A poverty alleviation project focused on promoting self-employment and organization of the rural poor
(D) A nationwide infrastructure plan to provide all-weather road connectivity to unconnected villages

Oct/Nov 2022

4. Which statement accurately depicts the trend in dietary energy intake in India as per available statistical data?
(A) Dietary energy intake increased from 2,071 kcal per day in 1993-94 to 2,153 kcal in 2011-12
(B) Per capita annual household consumption of cereal increased significantly for both rural and urban populations
(C) Dietary energy intake declined from 2,153 kcal per person, per day, in 1993-94 to 2,071 kcal in 2011-12
(D) The availability and intake of pulses have had no serious implication on the country's nutrition

May/June 2018

5. Which combination of factors predominantly attributes to the persistence of high rural poverty?
(A) High non-farm employment, excessive skill development, and robust urban migration
(B) Subsistence agriculture, lack of sustainable livelihoods, impact of food price rises, and under-employment
(C) Universal adoption of commercial farming, deflation in food prices, and highly specialized rural labor forces
(D) Even distribution of wealth, excessive technological penetration, and surplus farm incomes

Oct/Nov 2016

6. Which statement correctly states the population criteria for eligible unconnected habitations under the Pradhan Mantri Gram Sadak Yojana (PMGSY)?
(A) 1000 persons in plain areas and 500 persons in special category states
(B) 500 persons in plain areas and 250 persons and above in respect of special category states
(C) 250 persons in plain areas and 100 persons

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125. (D) Securitised assets representing loans to various priority categories.
Banks can achieve priority sector targets through direct lending or by purchasing eligible financial instruments. One such instrument is securitised assets that represent underlying loans already made to various priority sector categories. These investments allow banks to support priority sectors indirectly while managing their balance sheets, provided the underlying assets meet standard eligibility criteria for priority sector classification.

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116. (D) ₹2 crore
Farm credit for corporate farmers, including farmer producer organizations and partnership firms, has specific eligibility rules. Loans provided to these entities for various agricultural activities, including the purchase of machinery, are subject to an aggregate sanctioned limit. This limit is set at two crore rupees per borrowing entity from the banking system to ensure focused credit distribution.

117. (B) 43.27%
Provisional data for the financial year 2021-22 indicates the performance of various bank groups in meeting lending obligations. During this period, private sector banks achieved a priority sector lending percentage of 43.27 percent. This performance shows that these banks effectively surpassed their mandatory forty percent target, contributing significantly to credit flow to prioritized sectors of the national economy.

118. (A) Up to ₹30 crore
In the renewable energy category of priority sector lending, guidelines permit loans for commercial projects like solar-based power generators and wind mills. The maximum amount that can be classified under this category is thirty crore rupees per borrower. If a borrower requires more than this amount, only the portion up to the thirty-crore-rupee limit is reckoned for achievement.

119. (A) It includes interest, processing fees, and all other service charges.
The term all-inclusive interest describes the total cost of credit for a borrower. It encompasses not only the base interest rate but also any processing fees and all other service charges applied to the loan. This definition ensures transparency, as it represents the complete financial burden on the borrower for accessing institutional credit under specific priority sector schemes.

120. (A) Shortfall will be allocated for contribution to RIDF or other funds.
Banks are strictly required to meet annual priority sector lending targets. If a bank reports a shortfall at the end of the year, the missing amount is not ignored or penalized by a direct fine. Instead, the shortfall is allocated for contribution to the Rural Infrastructure Development Fund or other designated funds as specified by regulatory authorities and NABARD.

121. (C) 12 per cent of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher.
Primary Urban Co-operative Banks are subject to specific sub-targets for lending to weaker sections. These banks must allocate twelve percent of their higher base, which is either Adjusted Net Bank Credit or Credit Equivalent of Off-Balance Sheet Exposure, toward this category. This ensures urban-focused cooperative institutions contribute to the credit needs of the most vulnerable social groups.

122. (C) Repo rate
During the COVID-19 pandemic, the Reserve Bank provided targeted liquidity to support the healthcare sector. An on-tap liquidity window was opened where banks could borrow funds at the prevailing repo rate for a period of up to three years. These funds were used specifically for providing liquidity and credit support for building and expanding essential healthcare infrastructure.

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123. (A) Lending to the majority-minority community is excluded from specific targets.
In certain Indian states or union territories where a notified minority community constitutes the majority of the population, specific rules apply for reporting. In such regions, lending to that specific community is excluded from the targeted reporting of advances to minorities under the weaker sections category. This prevents the distortion of data in regions with unique demographic compositions.

124. (A) Until the Board approved co-lending policy is implemented.
The co-lending model allows for partnerships between banks and Non-Banking Financial Companies. According to the updated guidelines, banks were advised to continue their existing credit arrangements under the previous co-origination framework during the transition period. These earlier guidelines remain in effect until the bank's own board approves and implements a new co-lending policy that aligns with current requirements.

in special category states

(D) 2000 persons uniformly across all geographic terrains

May/June 2014

7. Which of the following best defines the JAM Trinity linkage as an initiative of the Government of India?

(A) Linking Jan Dhan accounts, Agricultural subsidies, and Mobile numbers

(B) Linking Jan Dhan accounts, mobile numbers, and Aadhaar cards

(C) Linking Joint Account Mechanisms, Aadhaar cards, and Mobile numbers

(D) Linking Jan Aushadhi records, Aadhaar cards, and Mobile networks

Oct/Nov 2007

8. What was a major driver for the faster reduction in poverty observed during the 2000s as compared to the 1990s?

(A) A significant decline in rural non-farm employment

(B) Economic growth, higher construction sector employment, and rural programs like MGNREGA

(C) Stagnation in agricultural growth and real wages for rural laborers

(D) The exclusive implementation of the Swarna Jayanti Shahari Rozgar Yojana in rural areas

May/June 2025

9. Which statement correctly describes a feature of the Universal Basic Income (UBI) program as discussed in economic frameworks?

(A) It acts as an additional supplement alongside all existing government aided benefits

(B) It improves efficiency through JAM-based direct transfers while forfeiting other government benefits

(C) It is highly targeted towards only households living below the official poverty line

(D) It is riddled with misallocation, leakages, and exclusion of the poor

Oct/Nov 2019

10. What is the total financial outlay of the Pradhan Mantri Garib Kalyan Yojana (PMGKY) comprehensive relief package announced in March 2020?

(A) Rs 1.50 Lakh crore

(B) Rs 2.00 Lakh crore

(C) Rs 1.70 Lakh crore

(D) Rs 2.50 Lakh crore

May/June 2009

11. Which statement correctly identifies a benefit provided to beneficiaries under the Pradhan Mantri Ujjwala Yojana (PMUY)?

(A) Beneficiaries receive a monthly financial support of ₹1,600 transferred via DBT

(B) Beneficiaries are mandated to pay for the first LPG refill and stove upfront

(C) Beneficiaries receive free traditional cooking fuels alongside the LPG connection

(D) Beneficiaries are provided with the first LPG refill and stove (hotplate) both free of cost

Oct/Nov 2011

12. What is the defined basic objective of the Targeted Public Distribution System (TPDS)?

(A) To unconditionally transfer cash equivalents of food subsidies directly to beneficiary bank accounts

(B) To procure agricultural produce directly from farmers at Minimum Support Prices

(C) To provide essential goods at subsidized prices to insulate consumers against inflation

(D) To distribute free traditional cooking fuels to deprived households below the poverty line

May/June 2010

13. What is the primary purpose of the Community Investment Support Fund (CIF) provided under DAY-NRLM?

(A) To be used by Federations to advance loans to SHGs and undertake common socio-economic activities

(B) To directly subsidize individual bank accounts of the rural poor

(C) To fund the administrative expenses of State Rural Livelihoods Missions

(D) To provide an unconditional cash grant that does not need to be repaid by the SHG members

Oct/Nov 2024

14. Which two fundamental principles form the foundation of the Universal Basic Income (UBI) concept?

(A) Universality and conditionality

(B) Exclusivity and unconditionality

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of its Adjusted Net Bank Credit or Credit Equivalent of Off-Balance Sheet Exposure. In this case, ten thousand crore rupees is higher than nine thousand five hundred crore rupees. Forty percent of ten thousand crore results in a target of four thousand crore rupees.

98. (A) ₹750 crore, which is 15% of ANBC.
Small Finance Banks have specific limits for certain priority sector categories. For lending to medium enterprises, social infrastructure, and renewable energy, the total amount that can be reckoned toward their priority sector targets is capped at fifteen percent of their lending base. Given a base of five thousand crore rupees, fifteen percent equals seven hundred fifty crore rupees exactly.

99. (B) 9 per cent of ANBC or CEOBE
To ensure credit reaches vulnerable agricultural producers, regulatory recommendations have proposed a specific sub-target for small and marginal farmers. This target is set at nine percent of the higher of Adjusted Net Bank Credit or Credit Equivalent of Off-Balance Sheet Exposure. This requirement compels banks to prioritize financing needs of farmers with limited landholdings within the agriculture sector.

100. (A) Yes, up to the full amount of ₹8 crore.
Loans for health care facilities, including those under Ayushman Bharat, are eligible for priority sector classification under social infrastructure. While the standard limit is five crore rupees, a special provision exists for facilities being built in Tier II to Tier VI centres. In these locations, the eligible limit is doubled to ten crore rupees, making an eight-crore loan eligible.

101. (C) Centralized Data Repository Agency (CDRA)
To improve the quality and consistency of data reporting, the creation of a Centralized Data Repository Agency was proposed. Its objective is to standardize definitions for reporting elements, such as branch locations and customer types, using Uniform Code Numbers. This centralized approach helps in accurate tracking and analysis of priority sector lending trends across the entire Indian banking industry.

102. (C) ₹50 crore
Ancillary services in the agriculture sector include providing credit to startups engaged in agriculture and allied activities. According to current guidelines, loans to such startups are eligible for priority sector classification up to an aggregate sanctioned limit of fifty crore rupees. This support aims to foster innovation in the agricultural supply chain through institutional credit focused on new entrepreneurial ventures.

103. (B) Small Farmer
For priority sector lending purposes, farmers are categorized based on the size of their landholding. A marginal farmer is one who owns up to one hectare of land. A small farmer is defined as one with a landholding of more than one hectare and up to two hectares. Therefore, a farmer with 1.5 hectares of land falls into the small farmer category.

104. (A) Yes, on-lending is capped at 5 percent of the individual bank's total priority sector lending.
While banks are permitted to engage in co-lending with registered Non-Banking Financial Companies to meet priority sector targets, specific caps apply. The total amount of such on-lending is limited to five percent of the individual bank's total priority sector lending achievement. This ensures the majority of priority sector credit is provided through the bank's own direct lending and partnerships.

105. (C) ₹5.89 lakh crore
The market for Priority Sector Lending Certificates provides an efficient mechanism for banks to manage lending obligations. In the financial year ended March 31, 2021, the trading volume for these certificates reached a significant milestone of five point eight nine lakh crore rupees. This indicates the active participation of banks in using these instruments to meet their regulatory targets.

106. (A) ₹125 crore
To encourage lending in underserved regions, the Reserve Bank uses a weighted system based on per capita credit flow. Districts with less than six thousand rupees per capita credit are assigned a higher weight of one hundred twenty-five percent. Therefore, an incremental loan of one hundred crore rupees in such a district is

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May/June 2006

23. How does the growth of the middle class act as indirect evidence regarding poverty alleviation efforts?
(A) It indicates that all poverty reduction programs have completely succeeded
(B) It shows that wealth distribution has become completely even across all segments of society
(C) It proves that poverty eradication is a short-term goal achievable within a decade
(D) It signifies economic prosperity and a trickle-down effect, despite uneven wealth distribution

Oct/Nov 2017

24. Which statement correctly identifies the purpose of the Valmiki Ambedkar Awas Yojana?
(A) It aims to provide single all-weather road connectivity to unconnected habitations
(B) It focuses on providing safe drinking water to rural households
(C) It provides guaranteed wage employment in drought-affected areas
(D) It strives to uplift the living condition of slum dwellers

May/June 2008

25. According to malnutrition indicators, what does the condition of "wasting" in children signify?
(A) Their height is too short for their age
(B) Their weight is too low for their height
(C) They are anemic due to inadequate iron intake
(D) They suffer from severe developmental delays in cognitive skills

Oct/Nov 2013

26. Which demographic groups fall exactly under the definition of the Integrated Child Development Services (ICDS) target community?
(A) Children up to 5 years, pregnant women, and elderly citizens above 60 years
(B) Children between 6-14 years, lactating mothers, and female-headed households
(C) Malnourished children up to 10 years and women 18-49 years of age
(D) Children up to 6 years, pregnant and lactating mothers, and women 16-44 years of age

May/June 2015

27. Which statement correctly specifies the eligibility criteria for an SHG to receive Revolving Fund (RF) support under DAY-NRLM?
(A) The SHG must be in existence for a minimum of 3 to 6 months and hold regular meetings and savings
(B) The SHG must be in existence for a minimum of 1 to 2 months
(C) The SHG must have received RF previously to qualify for a higher corpus
(D) The SHG must be formally registered under a state cooperative act

Oct/Nov 2012

28. Under the Pradhan Mantri Ujjwala Yojana (PMUY), what is the exact financial support provided for each LPG connection to BPL households?
(A) ₹1,600
(B) ₹1,000
(C) ₹1,200
(D) ₹2,000

May/June 2011

29. Which statement accurately reflects the general conclusion regarding poverty trends in India during the post-reform period?
(A) Poverty declined by 0.44 percentage points per annum in the post-reform period
(B) Rural growth was the single most important contributor to poverty reduction pre-1991
(C) Urban growth is the most important contributor to the rapid reduction in poverty post-1991
(D) Economic reforms had no measurable impact on the rate of poverty decline

Oct/Nov 2020

30. In the 1960s and 1970s, what assumption did the government rely upon regarding poverty alleviation before shifting to wage employment schemes?
(A) That direct cash transfers would instantly eradicate rural debt
(B) That forming Self Help Groups was the only sustainable method for empowering women
(C) That providing free food grains was a long-term substitute for economic growth
(D) That fast growth and industrial progress would automatically trickle down to the poorest

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(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2024

86. Match the statistical data with their respective reports or indicators:
List I: (Statistical Data)
P. 189.2 million people are undernourished
Q. India ranked 101 out of 116 countries
R. Incidence of poverty declined to 21.9%
S. Expanded to cover 2.5 crore households
List II: (Reports/Indicators)
1. Global Hunger Index 2021
2. Antyodaya Anna Yojana (AAY)
3. 2020 international estimates on food security
4. Sample survey 68th round (2011-12)
(A) P-1, Q-3, R-4, S-2
(B) P-3, Q-1, R-4, S-2
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-4, R-3, S-1

May/June 2023

87. Consider the following statements regarding poverty alleviation:
I Poverty alleviation is expected to make better progress in the next 50 years due to the trickle-down effect of the growing middle class.
II The government has provided food-grains at controlled prices, as the poor spend about 80% of their income on food.
III Skill development training programs have been launched to empower people to pursue self-employment.
IV Technology acts as a barrier to inclusiveness and causes significant leakages in service delivery.
Which of the above statement(s) is/are correct?
(A) Only (I), (II), and (III)
(B) Only (I), (III), and (IV)
(C) Only (II), (III), and (IV)
(D) All (I), (II), (III), and (IV)

Oct/Nov 2014

88. Match the components of the PMGKY package with their target beneficiaries or benefits:
List I: (Package Components)
P. Health workers fighting COVID-19
Q. 80 crore poor people
R. 20 crore women Jan Dhan account holders
S. 8.7 crore farmers
List II: (Beneficiaries/Benefits)
1. Front-loaded Rs 2,000 in first week of April 2020
2. Rs 500 per month for next three months
3. 5 kg wheat or rice and 1 kg pulses free every month
4. Insurance cover of Rs 50 Lakh
(A) P-4, Q-3, R-2, S-1
(B) P-3, Q-4, R-1, S-2
(C) P-1, Q-2, R-4, S-3
(D) P-2, Q-1, R-3, S-4

May/June 2005

89. Consider the following statements regarding poverty reduction trends:
I A specific study showed poverty declined by 1.36 percentage points per annum after 1991.
II Urban growth was identified as the most important contributor to the rapid reduction in poverty in the post-reform period.
III Poverty declined faster in the 1990s than in the 2000s.
Which of the above statement(s) is/are correct?
(A) Only (I) and (II)
(B) Only (II) and (III)
(C) Only (I) and (III)
(D) All (I), (II), and (III)

Oct/Nov 2022

90. Identify the incorrect pair regarding a scheme and the older program it restructured or replaced.
(A) MGNREGS - PMGSY
(B) DAY-NRLM - Swarnjayanti Gram Swarozgar Yojana (SGSY)
(C) Pradhan Mantri Awas Yojana-Grameen - Indira Awas Yojana
(D) Pradhan Mantri Jan Aushadhi Yojana - Jan Aushadhi Yojana

May/June 2018

91. In the following questions, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:
Assertion (A): High rural poverty can be largely attributed to subsistence agriculture and a lack of sustainable livelihoods.
Reason (R): Rural incomes are generally completely immune to the impact of the rise in prices of food products.

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May/June 2019

39. Why is Universal Basic Income (UBI) considered to bring in administrative efficiency?
(A) Because it creates a complex hierarchy of verification committees at the village level
(B) Because it restricts financial transfers strictly to formal sector employees
(C) Because it replaces all technology-based banking solutions with physical cash delivery
(D) It uses direct cash transfers via JAM to bypass systems prone to misallocation

Oct/Nov 2006

40. Which of the following statements regarding convergence under Pradhan Mantri Awas Yojana-Grameen (PMAY-G) is incorrect?
(A) The beneficiary is entitled to 90/95 person-days of unskilled labour from MGNREGS
(B) Assistance for toilet construction is leveraged through convergence with the Swachh Bharat Mission – Gramin program
(C) Convergence exists for piped drinking water, electricity connection, and LPG gas connection
(D) Priority is exclusively accorded to male-headed households during the selection of beneficiaries

May/June 2021

41. Arrange the following events related to poverty alleviation and assessment in their correct chronological order:
I Launch of the Mahatma Gandhi National Rural Employment Guarantee Scheme
II Introduction of the Food for Work Program
III Setup of the National Sample Survey Office (NSSO)
IV India embarked on big-bang economic reforms
(A) (III), (II), (IV), (I)
(B) (II), (III), (I), (IV)
(C) (III), (IV), (II), (I)
(D) (IV), (II), (I), (III)

Oct/Nov 2010

42. Which of the following statements regarding the Deendayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) is incorrect?
(A) It was launched in September 2014
(B) It is a placement linked skill training program
(C) It focuses on youth in the age group of 15-25 years exclusively
(D) It is expected to promote the 'Make in India' campaign by preparing a skilled workforce

Oct/Nov 2024

43. Under the Pradhan Mantri Jan Aushadhi Yojana (PMJAY), entities eligible to open Jan Aushadhi stores include all of the following, EXCEPT:
(A) Private hospitals
(B) Multi-national pharmaceutical manufacturing conglomerates exclusively
(C) NGOs
(D) Other social groups

May/June 2023

44. Under DAY-NRLM, the minimum number of members for an SHG may be reduced to 5 persons in all the following special categories, EXCEPT:
(A) Groups in difficult areas
(B) Groups with disabled persons
(C) Groups formed in remote tribal areas
(D) Groups formed in highly urbanized metropolitan centers

Oct/Nov 2014

45. What is the primary purpose of transitioning from a universal PDS to the Targeted Public Distribution System (TPDS) in 1997?
(A) Subsidized grains were no longer available to anyone, shifting entirely to open market prices
(B) The allocation of food grains was entirely handed over to private multinational corporations
(C) It targeted the poor with subsidies while allowing others to buy at full economic cost
(D) Only kerosene and sugar were distributed, while wheat and rice were removed from the system

May/June 2005

46. Which of the following statements regarding poverty reduction trends is incorrect?
(A) India embarked on big-bang economic reforms 25 years back, in 1991
(B) Poverty declined by 0.44 percentage points per annum after 1991, compared to 1.36 percentage points prior to that period
(C) The official estimates based on Tendulkar committee's poverty lines show poverty

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declined by 2.2 percentage points per annum during 2004-05 to 2011-12
(D) Around 138 million people were lifted above the poverty line during 2004-05 to 2011-12

Oct/Nov 2022

47. What is the primary purpose of providing the Revolving Fund (RF) to SHGs under DAY-NRLM?
(A) To directly purchase agricultural land for community farming
(B) To strengthen their institutional and financial management capacity and build a good credit history within the group
(C) To distribute equal unconditional cash grants to all members for personal consumption
(D) To pay the monthly salaries of block-level government officials

May/June 2018

48. Which of the following figures regarding the Pradhan Mantri Gram Sadak Yojana (PMGSY) is incorrect based on the latest available data?
(A) About 1.67 lakh unconnected habitations are eligible for coverage under the program
(B) 10.50 lakh km road lengths were sanctioned as on 2020-21
(C) The program involves construction of about 3.71 lakh km of roads for new connectivity
(D) The program involves 3.68 lakh km under upgradation

Oct/Nov 2016

49. The Global Hunger Index ranks countries on the basis of three leading indicators. These include all of the following, EXCEPT:
(A) The per capita annual consumption of fast food in urban centers
(B) Prevalence of wasting and stunting in children
(C) Under five child mortality rates
(D) The proportion of undernourished in the population

May/June 2014

50. The Pradhan Mantri Gram Sadak Yojana (PMGSY) provides connectivity to habitations with a population of 250 persons and above in respect of special category states, which include all of the following, EXCEPT:
(A) Sikkim
(B) Himachal Pradesh
(C) Kerala
(D) Uttarakhand

Oct/Nov 2007

51. Which demographic phenomenon is cited as indirect evidence that the extent of poverty has been considerably reduced?
(A) The increase in the prevalence of child stunting
(B) The stagnation of rural non-farm employment
(C) The decline in per capita annual household consumption of cereals
(D) The growth of the middle class

May/June 2025

52. Which of the following statements regarding the Integrated Child Development Services (ICDS) is incorrect?
(A) It is officially known as the anganwadi or day care center program
(B) It is targeted at children up to the age of 6 years
(C) It aims to improve the health, nutrition, and education of the target community
(D) Over 50% of children attending anganwadis are currently malnourished and underweight

Oct/Nov 2019

53. High rural poverty can be attributed to all of the following factors, EXCEPT:
(A) Lower farm incomes due to subsistence agriculture
(B) Lack of sustainable livelihoods in rural areas
(C) Complete isolation from the impact of rise in prices of food products
(D) Lack of skills and under-employment

May/June 2009

54. What is the ultimate goal of the continuous hand-holding support provided to the institutions of the poor under DAY-NRLM for a period of 5-7 years?
(A) Till they successfully migrate to urban cities
(B) Till they register as corporate entities under the Companies Act
(C) Till they come out of abject poverty
(D) Till they completely repay all historical informal debts

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Oct/Nov 2011

55. The Pradhan Mantri Garib Kalyan Yojana (PMGKY) package included all of the following measures from 30th March 2020, EXCEPT:
(A) A universal basic income of Rs 5,000 per month for every citizen regardless of income
(B) Increase in MNREGA wage to Rs 202 a day from Rs 182
(C) Government to front-load Rs 2,000 paid to farmers in the first week of April 2020
(D) Orders to State Governments to use Building and Construction Workers Welfare Fund to provide relief

May/June 2010

56. Which of the following statements regarding the poverty decline in the post-reform period is incorrect?
(A) The Rangarajan committee report showed a slower reduction in poverty during 2009-10 to 2011-12 compared to previous decades
(B) Poverty declined faster in the 2000s than in the 1990s
(C) The poverty amongst Scheduled Castes and Scheduled Tribes declined faster in the 2000s
(D) International reports indicate India achieved annual growth exceeding 7% over the last 15 years

Oct/Nov 2024

57. What was the core rationale behind launching the Antyodaya Anna Yojana (AAY) in December 2000?
(A) To make the TPDS more focused and targeted towards the one crore poorest of the poor families
(B) To provide highly subsidized generic medicines to the urban poor
(C) To issue universal ration cards to all citizens regardless of income
(D) To offer placement-linked skill training to rural youth

May/June 2017

58. Which of the following statements regarding the Pradhan Mantri Garib Kalyan Yojana (PMGKY) measures is incorrect?
(A) 20 crore women Jan Dhan account holders get Rs 1,000 per month for the next three months
(B) An insurance cover of Rs 50 Lakh per health worker fighting COVID-19 is provided
(C) 80 crore poor people get 5 kg wheat or rice and 1 kg of preferred pulses for free every month
(D) An ex-gratia of Rs 1,000 was given to 3 crore poor senior citizens, poor widows, and poor disabled

Oct/Nov 2005

59. What is identified as a crucial enabler of inclusiveness and a provider of efficient services by preventing leakages in poverty alleviation?
(A) Sustained inflation in food prices
(B) Trickle-down effect
(C) Technology
(D) Subsistence agriculture

May/June 2020

60. The core objectives of the MGNREG Act include all of the following, EXCEPT:
(A) Providing not less than one hundred days of unskilled manual work as guaranteed employment
(B) Centralizing all rural development planning strictly at the national government level
(C) Proactively ensuring social inclusion
(D) Strengthening of Panchayat Raj institutions

Oct/Nov 2015

61. Match the Pradhan Mantri Gram Sadak Yojana (PMGSY) features with their corresponding data:
List I: (Features)
P. Population requirement in plain areas
Q. Population requirement in special category states
R. Approximate unconnected habitations eligible under Core Network
S. Road lengths sanctioned under upgradation
List II: (Data)
1. 250 persons
2. 3.68 lakh km
3. 500 persons
4. 1.67 lakh
(A) P-3, Q-1, R-4, S-2
(B) P-1, Q-3, R-2, S-4
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-4, R-3, S-1

May/June 2013

62. Consider the following statements regarding DAY-NRLM:

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May/June 2022

74. Identify the correct pair representing a nutritional metric and its corresponding data point.
(A) Children under 5 who are underweight - 72%
(B) Women in reproductive age who are anemic - 34.7%
(C) Infants below 6 months who are breastfed - over 72%
(D) Percentage of undernourished in the total population - 14%

Oct/Nov 2023

75. Consider the following statements regarding poverty estimates in the 2000s:
I Poverty declined by 2.2 percentage points per annum during 2004-05 to 2011-12.
II Technical reports showed a faster reduction in poverty during 2009-10 to 2011-12.
III MGNREGA contributed to higher levels of poverty reduction in the 2000s compared to the 1990s.
IV International developmental reports indicated India achieved an annual growth exceeding 7% over the last 15 years.
Which of the above statement(s) is/are correct?
(A) Only (I), (II), and (III)
(B) Only (I), (III), and (IV)
(C) Only (II), (III), and (IV)
(D) All (I), (II), (III), and (IV)

May/June 2016

76. Match the following committees or research findings with their corresponding descriptions:
List I: (Committees/Findings)
P. Specific poverty studies
Q. Tendulkar Committee
R. Rangarajan Committee
S. Late Prof Lakdawala
List II: (Methodologies/Results)
1. Showed faster reduction in poverty during 2009-10 to 2011-12
2. Expert Group on estimation of proportion and number of poor for 1993-94
3. Study showing urban growth as most important contributor to poverty reduction post-1991
4. Methodology showing poverty declined from 37.2% to 21.9% in 2011-12
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2009

77. Consider the following statements regarding PMGSY:
I It provides connectivity by way of a single all-weather road to eligible unconnected habitations.
II The core network requires a population of 500 persons in plain areas.
III The scheme excludes desert areas and tribal districts from coverage.
Which of the above statement(s) is/are correct?
(A) Only (I) and (II)
(B) Only (II) and (III)
(C) Only (I) and (III)
(D) All (I), (II), and (III)

Oct/Nov 2018

78. Match the schemes converging with PMAY-G with their specific provisions:
List I: (Converging Schemes)
P. MGNREGS
Q. Swachh Bharat Mission – Gramin
R. Different Government Programs
S. PMAY-G core provision
List II: (Provisions)
1. Piped drinking water, electricity connection, LPG gas
2. Affordable housing to the rural poor
3. 90/95 person-days of unskilled labour
4. Assistance for the construction of the toilet
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-2, Q-1, R-4, S-3

May/June 2007

79. Consider the following statements regarding the Public Distribution System (PDS):
I It began as a targeted program exclusively for the poor in the early years of the nation.
II Since 1997, it has been transformed into a universal program available to all citizens at highly subsidized prices.
Which of the statements given above is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

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based Direct Benefit Transfers (DBT).

Which of the statements given above is/are correct?

(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2013

69. Consider the following statements regarding DAY-NRLM:

I It is implemented in a Mission Mode adopting a supply-driven approach.
II It emphasizes continuous capacity building and imparting requisite skills.
III The selection of intensive districts is done by the states based on demographic vulnerabilities.

Which of the above statement(s) is/are correct?

(A) Only (I) and (II)
(B) Only (II) and (III)
(C) Only (I) and (III)
(D) All (I), (II), and (III)

May/June 2015

70. Match the chronological events in the Targeted Public Distribution System with their respective dates or years:

List I: (TPDS Events)

P. Introduction of TPDS
Q. Allocation of food grains increased to 20 kg for BPL families
R. Number of BPL families increased by shifting population projection base
S. State-wise poverty estimates based on Lakdawala methodology

List II: (Years/Dates)

1. 1993-94
2. June 1997
3. April 2000
4. December 2000

(A) P-2, Q-3, R-4, S-1
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-1, R-2, S-3

Oct/Nov 2012

71. Consider the following statements regarding the PMGKY package:

I It was a comprehensive relief package of Rs 1.70 Lakh crore announced in March 2020.
II It provided an insurance cover of Rs 50 Lakh per health worker fighting COVID-19.
III 80 crore poor people were provided 5 kg wheat or rice and 1 kg of preferred pulses for free every month.
IV An ex-gratia of Rs 1,000 was given exclusively to young unemployed graduates.

Which of the above statement(s) is/are correct?

(A) Only (I), (II), and (III)
(B) Only (I), (III), and (IV)
(C) Only (II), (III), and (IV)
(D) All (I), (II), and (III)

May/June 2011

72. Match the financial parameters under DAY-NRLM with their respective values or limits:

List I: (Financial Parameters)

P. Minimum Revolving Fund (RF) amount per SHG
Q. Maximum Revolving Fund (RF) amount per SHG
R. Maximum loan amount eligible for interest subvention per SHG
S. Effective rate of interest after additional subvention for prompt repayment

List II: (Values)

1. ₹3,00,000
2. 4%
3. ₹10,000
4. ₹15,000

(A) P-4, Q-3, R-2, S-1
(B) P-3, Q-4, R-1, S-2
(C) P-1, Q-2, R-3, S-4
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2020

73. Consider the following statements regarding Universal Basic Income (UBI):

I UBI is based on the principles of universality and conditionality.
II It forfeits other government aided benefits but brings in administrative efficiency as a direct cash transfer.

Which of the statements given above is/are correct?

(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

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I It was launched by replacing the Swarnjayanti Gram Swarozgar Yojana (SGSY) scheme.
II It promotes livelihood institutions of rural poor by providing continuous hand-holding support for a period of 1 to 2 years.
Which of the statements given above is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2021

63. Match the following government schemes with their primary target or objective:
List I: (Schemes)
P. Swarna Jayanti Shahari Rozgar Yojana
Q. Valmiki Ambedkar Awas Yojana
R. Pradhan Mantri Awas Yojana-Grameen
S. DAY-NRLM
List II: (Objectives)
1. Uplift the living condition of slum dwellers
2. Ensure 'Housing for all' by 2022 for the rural poor
3. Provide gainful employment to the urban unemployed and underemployed
4. Mobilize the rural poor into functionally effective community owned institutions
(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-3, R-4, S-2
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-4, R-3, S-1

May/June 2024

64. Consider the following statements regarding the Pradhan Mantri Jan Aushadhi Yojana (PMJAY):
I It aims to provide quality drugs at an affordable cost across the country.
II Under the scheme, medicines are sold at prices higher than the market price to generate government revenue.
III Private hospitals, NGOs, and other social groups receive a one-time assistance of ₹2.5 Lakh to open the stores.
Which of the above statement(s) is/are correct?
(A) Only (I) and (II)
(B) Only (II) and (III)
(C) Only (I) and (III)
(D) All (I), (II), and (III)

Oct/Nov 2008

65. Identify the correct pair representing a welfare scheme and the Ministry that introduced it.
(A) Pradhan Mantri Ujjwala Yojana - Ministry of Petroleum and Natural Gas
(B) Pradhan Mantri Ujjwala Yojana - Ministry of Rural Development
(C) DAY-NRLM - Ministry of Finance
(D) PMGSY - Ministry of Urban Development

May/June 2006

66. Consider the following statements regarding SHG guidelines under DAY-NRLM:
I Women SHGs generally consist of 10-20 persons.
II In remote tribal areas, the number of members may be a minimum of 5 persons.
III For groups formed with persons with disabilities, both men and women can be included.
IV Registration under the Societies Act or State cooperative Act is mandatory for every SHG.
Which of the above statement(s) is/are correct?
(A) Only (I), (II), and (III)
(B) Only (I), (III), and (IV)
(C) Only (II), (III), and (IV)
(D) All (I), (II), and (III), and (IV)

NODIA

Oct/Nov 2017

67. Arrange the following events related to the evolution of the Public Distribution System in their correct chronological order:
I Allocation to BPL families increased to 20 kg per month
II Planning Commission's State-wise poverty estimates based on Lakdawala methodology
III Base shifted to population projections of the Registrar General as on 1 March, 2000
IV Introduction of the Targeted Public Distribution System (TPDS)
(A) (II), (IV), (I), (III)
(B) (IV), (II), (III), (I)
(C) (II), (I), (IV), (III)
(D) (IV), (I), (II), (III)

May/June 2008

68. Consider the following statements:
I The JAM Trinity solution offers possibilities for effectively targeting public resources to those who need them most.
II Progress is evident with the overhauling of the subsidy regime and moving to Aadhaar-

Oct/Nov 2025

80. Identify the incorrect pair of a demographic group and its respective malnutrition percentage as per 2020 data.
(A) Women in reproductive age (15-49 years) who are anemic - 51.4%
(B) Children under five who are stunted - 34.7%
(C) Children under five who suffer from wasting - 20%
(D) Overall population that is undernourished - 37.2%

May/June 2012

81. Consider the following statements regarding PMAY-G:
I Priority is accorded to female-headed households and households with a single girl child.
II Beneficiaries are entitled to 90/95 person-days of unskilled labour from MGNREGS.
III Assistance for toilet construction is leveraged through the Swachh Bharat Mission – Gramin program.
IV About 1.63 crore houses have been completed under the scheme as on 31 March, 2021.
Which of the above statement(s) is/are correct?
(A) Only (I), (II), and (III)
(B) Only (I), (III), and (IV)
(C) Only (II), (III), and (IV)
(D) All (I), (II), (III), and (IV)

May/June 2019

82. Match the MGNREGS operational statistics with their correct figures:
List I: (Operational Statistics)
P. Number of blocks covered
Q. Number of Gram Panchayats covered
R. Proportion of SC workers among active workers
S. Proportion of ST workers among active workers
List II: (Figures)
1. 16.2%
2. 20.2%
3. 269,360
4. 7,164
(A) P-4, Q-3, R-2, S-1
(B) P-1, Q-3, R-2, S-4
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-4, R-3, S-1

Oct/Nov 2006

83. Match the concepts with their fundamental descriptions:
List I: (Concepts)
P. Right to Food Act
Q. Universal Basic Income
R. Swarna Jayanthi Shahari Rozgar Yojana
S. JAM linkage
List II: (Descriptions)
1. Plugs the leakages of government subsidies through digital identity and banking
2. Provides a legally stipulated equal financial grant without a means test
3. Aims to provide subsidized food grains to approximately two thirds of the population
4. Encourages setting up self-employment ventures for the urban poor
(A) P-3, Q-2, R-4, S-1
(B) P-1, Q-4, R-3, S-2
(C) P-2, Q-3, R-1, S-4
(D) P-4, Q-1, R-2, S-3

May/June 2021

84. Consider the following statements regarding malnutrition and the ICDS program:
I About 2.3 crore children up to 6 years of age are suffering from malnourishment and are underweight.
II In certain regions, the proportion of under-weight children attending anganwadis is nearly 50%.
III The ICDS program is officially known as the anganwadi or day care center program.
Which of the above statement(s) is/are correct?
(A) Only (I) and (II)
(B) Only (II) and (III)
(C) Only (I) and (III)
(D) All (I), (II), and (III)

Oct/Nov 2010

85. Consider the following statements regarding poverty estimates:
I Based on the Tendulkar Committee methodology, the incidence of poverty increased from 21.9% in 2004-05 to 37.2% in 2011-12.
II The high rural poverty can be attributed to higher farm incomes due to commercial agriculture.
Which of the statements given above is/are correct?
(A) Only (I)

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May/June 2022

31. Which of the following statements regarding the structure of Self Help Groups (SHGs) under DAY-NRLM is incorrect?
(A) Women SHGs generally consist of 10-20 persons
(B) In difficult areas or groups with disabled persons, the number of members may be a minimum of 5 persons
(C) Registration of the SHG under any Societies Act or State cooperative Act is strictly mandatory
(D) DAY-NRLM promotes affinity-based women Self Help Groups

Oct/Nov 2023

32. The Pradhan Mantri Ujjwala Yojana (PMUY) aims to make clean cooking fuel available to deprived households which were otherwise using traditional cooking fuels, which include all of the following, EXCEPT:
(A) Cow-dung cakes
(B) Kerosene
(C) Coal
(D) Firewood

May/June 2016

33. Which of the following statements about early poverty alleviation programs is incorrect?
(A) The Food for Work Program was launched in the 1970s
(B) Swarna Jayanti Shahari Rozgar Yojana aims to provide gainful employment exclusively to the rural underemployed poor
(C) NREGA of 2005 was launched aimed at creating wage employment
(D) In the 1960s and 1970s, the government hoped fast growth and industrial progress would trickle down to the poorest

Oct/Nov 2009

34. What is the expected outcome of the MGNREGS program's increased focus on the creation of durable assets and natural resource management?
(A) To decrease the number of employment days available to casual labourers
(B) To permanently shift all rural populations into the urban construction sector
(C) To centralize all public works selection bypassing Gram Panchayats
(D) To improve farmers' income and enlarge their wage opportunities

NODIA

Oct/Nov 2018

35. DAY-NRLM ensures all round capacity building of the SHGs by providing support on all the following issues, EXCEPT:
(A) Mandating that all rural youth must exclusively take up jobs in the unorganized sector
(B) Addressing vulnerabilities and high-cost indebtedness through initial fund support
(C) Formation and nurturing of SHG federations to evolve as strong support organizations
(D) Making the livelihoods of the poor sustainable

May/June 2007

36. What is the main objective of the Pradhan Mantri Jan Aushadhi Yojana (PMJAY) launched in March 2016?
(A) To provide quality drugs/medicines at an affordable cost across the country
(B) To provide free specialized surgical treatments in private hospitals
(C) To eradicate childhood malnutrition through supplementary feeding
(D) To offer insurance cover for health workers fighting pandemics

Oct/Nov 2025

37. Which of the following statements incorrectly represents a general perspective on poverty alleviation in India?
(A) The middle class growth proves that economic prosperity is high and wealth is distributed evenly
(B) Eradication of poverty in India is considered a long-term goal
(C) Poverty alleviation is expected to make better progress in the next 50 years than in the past
(D) It is incorrect to say that all poverty reduction programs have failed

May/June 2012

38. The Governments have introduced technology-based reforms under the Targeted Public Distribution System (TPDS) in the recent period, which include all of the following, EXCEPT:
(A) Digitization of ration cards
(B) Online entry and verification of beneficiaries' data
(C) Computerized allocation to fair price shops
(D) Issuance of universal physical food stamps without electronic tracking

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2016

92. Later, an SHG in one of the 250 identified districts under DAY-NRLM avails a loan of ₹2,00,000 from a bank at an interest rate of 7%. If the SHG maintains a record of prompt repayment, what will be their effective rate of interest after receiving the additional subvention?
(A) 7%
(B) 5.5%
(C) 4%
(D) 3%

May/June 2014

93. Consider the following statements regarding the MGNREGS:
I It guarantees 100 days of employment in a financial year to any volunteering rural household.
II The work involves highly skilled technical labor tasks.
III It aims to result in the creation of productive assets of prescribed quality and durability.
IV The program provides a higher number of 150 days of employment in drought-affected areas.
V The active cards and active workers were recently recorded at 9.81 crore and 15.13 crore respectively.
Which of the above statement(s) is/are correct?
(A) Only (I), (II), (III), and (IV)
(B) Only (I), (III), (IV), and (V)
(C) Only (II), (III), (IV), and (V)
(D) All (I), (II), (III), (IV), and (V)

Oct/Nov 2007

94. Once the house construction begins under PMAY-G, the beneficiary is informed that assistance for constructing a toilet will be provided. Through convergence with which government program is this assistance leveraged?
(A) Valmiki Ambedkar Awas Yojana
(B) National Rural Livelihoods Mission
(C) Swachh Bharat Mission – Gramin
(D) Pradhan Mantri Gram Sadak Yojana

May/June 2025

95. In the following questions, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:
Assertion (A): Only SHGs that have received the Revolving Fund (RF) earlier will be provided with the Community Investment Support Fund (CIF).
Reason (R): The primary purpose of the Revolving Fund (RF) is to strengthen the institutional and financial management capacity of the SHG and build a good credit history.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2019

96. Read the following scenario regarding the evolution of food distribution and answer the questions that follow: A State Government is reviewing the historical evolution of its food distribution networks. They note that the shift to TPDS required identifying the poor.
Which committee's methodology was originally used by the Planning Commission for the 1993-94 state-wise poverty estimates to achieve this?
(A) Tendulkar Committee
(B) Expert Group chaired by Late Prof Lakdawala
(C) Rangarajan Committee
(D) Expert study on post-reform poverty

May/June 2009

97. Consider the following statements regarding nutritional challenges and responses:
I Reports indicate that over 50% of women in reproductive age are anemic in India.
II The Antyodaya Anna Yojana (AAY) was launched to target the one crore poorest of the poor families.
III Dietary energy intake per person per day declined from 1993-94 to 2011-12.
IV International reports indicate India has a high demographic of children suffering

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increased employment opportunities in the construction sector. Strategic rural programs, particularly the Mahatma Gandhi National Rural Employment Guarantee Act, played a crucial role in enhancing rural incomes. These factors, combined with rising real wages for laborers, ensured a more rapid decline in poverty compared to the previous decade.

9. (B) It improves efficiency through JAM-based direct transfers while forfeiting other government benefits
Universal Basic Income is characterized by its simplicity and administrative efficiency through the use of the JAM platform. By providing direct cash transfers to all citizens, it aims to eliminate the misallocation and leakages often found in targeted schemes. However, a key trade-off is that beneficiaries typically forfeit other government-aided benefits in exchange for this regular, unconditional financial grant.

10. (C) Rs 1.70 Lakh crore
The Pradhan Mantri Garib Kalyan Yojana was launched as a comprehensive relief package to mitigate the economic impact of the COVID-19 pandemic. With a total financial outlay of 1.70 Lakh crore, the scheme targeted the most vulnerable sections of society. It included various measures such as free food grains, cash transfers, and insurance for health workers to provide immediate support.

11. (D) Beneficiaries are provided with the first LPG refill and stove (hotplate) both free of cost
Under the Pradhan Mantri Ujjwala Yojana, eligible beneficiaries are provided with significant initial support to transition to clean energy. This includes receiving the first LPG refill and a stove, also known as a hotplate, completely free of cost. This initiative is designed to remove the financial barriers that prevent deprived households from moving away from harmful, traditional solid cooking fuels.

12. (C) To provide essential goods at subsidized prices to insulate consumers against inflation
The Targeted Public Distribution System serves as a critical social safety net intended to ensure food security for the vulnerable. Its primary objective is to provide essential commodities at subsidized prices, protecting consumers from the volatility of market inflation. By targeting specific groups like those below the poverty line, the system aims to make basic nutrition affordable for the most needy.

13. (A) To be used by Federations to advance loans to SHGs and undertake common socio-economic activities
The Community Investment Support Fund is a vital financial component of the National Rural Livelihoods Mission. It is provided to SHG federations to advance loans to member groups and facilitate common socio-economic activities. This fund helps build the financial autonomy of community institutions, allowing them to address the diverse needs of their members and sustain various collective livelihood initiatives.

14. (C) Universality and unconditionality
Universal Basic Income is theoretically anchored in two core principles that distinguish it from traditional welfare programs. These principles are universality and unconditionality. Universality implies that the benefit is provided to all citizens regardless of their economic status. Unconditionality ensures that the financial grant is given without requiring the recipient to meet any specific criteria, such as employment status or income.

15. (D) It provides 150 days of guaranteed employment per year in drought-affected areas
While the standard provision of the Mahatma Gandhi National Rural Employment Guarantee Scheme is one hundred days of work, certain conditions allow for an extension. In regions officially declared as drought-affected, the guarantee is increased to 150 days per financial year. This provision acts as a vital safety net, providing additional income support to rural households facing severe environmental and agricultural distress.

16. (A) A regular, equal financial grant provided to all citizens regardless of their economic status or means
Universal Basic Income is conceptually defined as a regular and equal financial grant provided by the government to every citizen. This payment is made regardless of an individual's existing wealth, employment status, or other means of support. Unlike targeted welfare, it does not

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Oct/Nov 2015

104. In the following questions, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:
Assertion (A): The MGNREGS program is inherently self-targeted.
Reason (R): Beneficiaries are typically those who belong to deprived households and depend on casual labour for their livelihood.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2013

105. Upon completion of the house, the household requires a clean cooking fuel source, as they previously used cow-dung cakes. Which specific scheme provides financial support to cover the cost of the security deposit, pressure regulator, and LPG hose for this BPL household?
(A) Pradhan Mantri Jan Aushadhi Yojana
(B) Deendayal Antyodaya Yojana
(C) Pradhan Mantri Ujjwala Yojana
(D) Antyodaya Anna Yojana

Oct/Nov 2021

106. Consider the following statements regarding Interest Subvention under DAY-NRLM:
I Subvention covers the difference between the Lending Rate of banks and 7%.
II It is available for a maximum loan of ₹3,00,000 per SHG.
III In 250 identified districts, banks lend to women SHGs at 7% directly.
IV The SHGs get an additional interest subvention of 3% on prompt repayment.
V In remaining districts, all women SHGs are entirely ineligible for any interest subvention.
Which of the above statement(s) is/are correct?
(A) Only (I), (II), (III), and (IV)
(B) Only (I), (III), (IV), and (V)
(C) Only (II), (III), (IV), and (V)
(D) All (I), (II), (III), (IV), and (V)

May/June 2024

107. Read the following scenario regarding housing and clean fuel and answer the questions that follow: A Gram Panchayat is selecting beneficiaries for the Pradhan Mantri Awas Yojana-Grameen (PMAY-G). They have an application from a household headed by a woman with a single girl child, and another from a male-headed household with adult sons.
According to the scheme's guidelines, why would the first household be selected first?
(A) Priority is accorded to female headed households and households with single girl child
(B) Priority is accorded based strictly on the highest income earned
(C) Priority is given to households that own a minimum of 5 acres of land
(D) Priority is randomized through an electronic lottery system

Oct/Nov 2008

108. In the following questions, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:
Assertion (A): Adoption of the Universal Basic Income (UBI) program is often advocated as a more efficient way to help the poor.
Reason (R): UBI brings in administrative efficiency as a direct cash transfer through the JAM platform, bypassing existing schemes riddled with misallocation.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2006

109. Read the following scenario regarding employment schemes and answer the questions that follow: A rural household depends entirely on casual labour. They live in a block that has recently been declared drought-affected.
When they volunteer for unskilled manual work under MGNREGS, what is the maximum number of days of employment they are entitled to in that financial year?
(A) 50 days

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Oct/Nov 2025

123. The researcher concludes the evaluation by noting a significant trade-off associated with implementing UBI. While UBI brings administrative efficiency through the JAM platform, what is the primary consequence for beneficiaries according to general economic analysis?

(A) It requires mandatory participation in unskilled manual labor for 100 days
(B) It restricts them from opening bank accounts in private sector banks
(C) It forfeits other government aided benefits
(D) It compels them to surrender their agricultural lands to the state

NODIA

May/June 2012

124. Read the following scenario regarding social welfare models and answer the questions that follow: A policy researcher evaluating social welfare models contrasts emergency relief with long-term structural programs.

If a government replaces existing welfare schemes with a Universal Basic Income (UBI), what core condition dictates that the income must be given without verifying the beneficiary's poverty status?

(A) The principle of unconditionality and lack of a means test
(B) The principle of means-tested exclusion
(C) The principle of variable targeted allocation
(D) The principle of conditional employment generation

May/June 2019

125. Under the same emergency package, a one-time relief was deemed necessary for the most vulnerable non-working demographics. What specific ex-gratia amount was provided to 3 crore poor senior citizens, poor widows, and poor disabled persons?

(A) Rs 500
(B) Rs 1,000
(C) Rs 2,000
(D) Rs 5,000

Prof Lakdawala methodology.
II TPDS was introduced in June 1997.
III The allocation to BPL families was increased from 10 kg to 20 kg with effect from 1 April, 2000.
IV The base for calculating BPL families was shifted to population projections as on 1 March, 2000.
V The restriction of 50 paise per kg over the CIP was made strictly permanent in 2001.

Which of the above statement(s) is/are correct?
(A) Only (I), (II), (III), and (IV)
(B) Only (I), (III), (IV), and (V)
(C) Only (II), (III), (IV), and (V)
(D) All (I), (II), (III), (IV), and (V)

May/June 2022

117. To further assist the beneficiary in building her house under PMAY-G, she is entitled to unskilled labour. How many person-days of unskilled labour is she entitled to, sourced from the MGNREGS?
(A) 30/35 person-days
(B) 50/60 person-days
(C) 150/160 person-days
(D) 90/95 person-days

Oct/Nov 2023

118. In the following questions, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:
Assertion (A): The Deendayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) is a placement linked skill training program.
Reason (R): The DDU-GKY guarantees 100 days of unskilled manual work in a financial year to any rural youth.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2016

119. To ensure wages reach the beneficiary without leakage, the local Panchayat under MGNREGS has implemented technological improvements. Which system is specifically utilized to link the payment directly to the beneficiary's bank account?
(A) Aadhaar payment bridge
(B) Physical postal money orders
(C) Swarna Jayanti Cash Transfer
(D) Universal Basic Income tokens

Oct/Nov 2009

120. In the following questions, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:
Assertion (A): The Pradhan Mantri Awas Yojana-Grameen (PMAY-G) addresses the basic needs of households through convergence with other Government Schemes.
Reason (R): Under this convergence, the beneficiary is entitled to 90/95 person-days of unskilled labour from the MGNREGS.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2018

121. During the COVID-19 outbreak, instead of a structural UBI, the government rolled out a relief package. As a direct cash transfer measure, what unconditional benefit was provided specifically to 20 crore women Jan Dhan account holders?
(A) Rs 1,000 per month for five months
(B) Rs 2,000 front-loaded as a one-time grant
(C) ₹1,600 for purchasing LPG cylinders
(D) Rs 500 per month for three months

May/June 2007

122. To reach the most vulnerable within the BPL category, the state wants to ensure full implementation of the Antyodaya Anna Yojana (AAY). According to its launch criteria, which specific demographic segment does the AAY initially target?
(A) All urban slum dwellers regardless of income
(B) Families headed strictly by educated unemployed youth
(C) One crore poorest of the poor families
(D) Households that own commercial agricultural land

NODIA

deficiency. It is defined as a condition where a child's weight is too low for their height. This condition often results from recent and severe weight loss, frequently associated with inadequate food intake or infectious diseases. Monitoring wasting is essential for identifying children at high risk of mortality.

26. (D) Children up to 6 years, pregnant and lactating mothers, and women 16-44 years of age
The Integrated Child Development Services is a comprehensive program targeting the most crucial stages of human development. Its beneficiaries include children up to six years of age, as well as pregnant and lactating mothers. Additionally, it addresses the needs of women in the 16 to 44 age group. The program provides services including supplementary nutrition, immunization, and pre-school education.

27. (A) The SHG must be in existence for a minimum of 3 to 6 months and hold regular meetings and savings
To qualify for the Revolving Fund support under the National Rural Livelihoods Mission, a Self-Help Group must demonstrate organizational stability. Specifically, the group should have been in existence for at least three to six months. During this period, they must consistently practice the Panchasutra, which includes regular meetings, savings, inter-loaning, timely repayments, and maintaining up-to-date books of accounts.

28. (A) ₹1,600
The Pradhan Mantri Ujjwala Yojana provides a specific financial grant to support the adoption of clean cooking energy. For every LPG connection issued to a household below the poverty line, the government provides financial assistance of 1,600 rupees. This amount is intended to cover the administrative costs, including the security deposit for the cylinder and the cost of the pressure regulator.

29. (C) Urban growth is the most important contributor to the rapid reduction in poverty post-1991
Analysis of poverty trends in India during the post-reform era indicates that urban economic growth has become a primary driver of poverty reduction. Since 1991, the impact of urban expansion has significantly contributed to lifting millions out of poverty through increased employment and market linkages. This shift highlights the changing dynamics where urban centers increasingly influence broader rural economic prosperity.

30. (D) That fast growth and industrial progress would automatically trickle down to the poorest
During the 1960s and 1970s, the Indian government approach to poverty was rooted in the trickle-down theory of economic development. It was widely assumed that rapid industrial progress and high GDP growth would automatically benefit the poorest segments of society. However, when this failed to yield sufficient results, the policy focus shifted toward more direct interventions, such as dedicated wage employment schemes.

31. (C) Registration of the SHG under any Societies Act or State cooperative Act is strictly mandatory
Under the National Rural Livelihoods Mission, Self-Help Groups are typically affinity-based organizations composed of 10 to 20 women. However, for groups involving persons with disabilities or those in difficult terrains, the minimum membership can be as low as five. Crucially, formal registration under the Societies Act or cooperative laws is not a mandatory requirement for these groups to function or receive support.

32. (B) Kerosene
The Pradhan Mantri Ujjwala Yojana is designed to replace hazardous traditional cooking fuels with cleaner alternatives. These traditional fuels typically include firewood, coal, and cow-dung cakes, which are known to cause significant indoor air pollution and health issues. While kerosene is also a fuel used by the poor, the scheme specifically targets the replacement of solid biomass fuels to improve respiratory health.

33. (B) Swarna Jayanti Shahari Rozgar Yojana aims to provide gainful employment exclusively to the rural underemployed poor
Historically, various schemes have been launched to tackle poverty, but their targets and scopes differ significantly. For instance, the Swarna Jayanti Shahari Rozgar Yojana was specifically designed to provide gainful employment to the urban unemployed and underemployed poor,

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ANSWERS

1. (D) September 2014
Launched in September 2014, the Deendayal Upadhyaya Grameen Kaushalya Yojana serves as a placement-linked skill training initiative under the Ministry of Rural Development. It targets rural youth to transform them into a globally relevant, productive workforce. This scheme plays a pivotal role in the Make in India campaign by bridging the skill gap in various rural regions.

2. (C) By guaranteeing 100 days of unskilled manual work per year to any volunteering rural household
The Mahatma Gandhi National Rural Employment Guarantee Scheme ensures legal work security by providing at least one hundred days of guaranteed unskilled manual employment per financial year. This right is extended to every rural household whose adult members volunteer for such labour. It focuses on creating durable assets while simultaneously strengthening the livelihood resource base of the rural poor.

3. (C) A poverty alleviation project focused on promoting self-employment and organization of the rural poor
Deendayal Antyodaya Yojana-National Rural Livelihoods Mission is a flagship poverty alleviation program designed to mobilize the rural poor into effective community-owned institutions. By promoting self-employment and diverse livelihood opportunities, the mission aims to reduce poverty significantly. It emphasizes continuous capacity building and financial inclusion through the systematic organization of households into various self-help groups and federations.

4. (C) Dietary energy intake declined from 2,153 kcal per person, per day, in 1993-94 to 2,071 kcal in 2011-12
Statistical data regarding nutritional trends in India reveals a concerning shift in daily consumption patterns. Specifically, dietary energy intake per person experienced a decline from 2,153 kcal in 1993-94 to 2,071 kcal by 2011-12. This trend highlights ongoing challenges in food security and nutrition, despite broader economic growth and various governmental interventions aimed at improving the overall health of the population.

5. (B) Subsistence agriculture, lack of sustainable livelihoods, impact of food price rises, and under-employment
The persistence of poverty in rural areas is driven by a complex interplay of structural and economic challenges. Primarily, reliance on subsistence agriculture and a significant lack of sustainable livelihood opportunities contribute to this issue. Furthermore, under-employment and the adverse impact of rising food prices exacerbate the vulnerability of rural households, making it difficult to escape the poverty trap.

6. (B) 500 persons in plain areas and 250 persons and above in respect of special category states
The Pradhan Mantri Gram Sadak Yojana sets specific population thresholds to determine eligibility for all-weather road connectivity. In plain areas, habitations with a population of 500 persons or more are eligible. For special category states, including tribal and desert areas, the criteria is lowered to 250 persons and above. This ensures essential infrastructure reaches smaller, more isolated rural communities.

7. (B) Linking Jan Dhan accounts, mobile numbers, and Aadhaar cards
The JAM Trinity represents a sophisticated technological linkage designed to improve the delivery of social benefits in India. It integrates Jan Dhan bank accounts, Aadhaar identification cards, and mobile numbers to create a seamless financial infrastructure. This system enables direct benefit transfers, effectively reducing leakages and ensuring that government subsidies reach the intended recipients efficiently while promoting widespread financial inclusion.

8. (B) Economic growth, higher construction sector employment, and rural programs like MGNREGA
Poverty reduction accelerated during the 2000s primarily due to robust economic growth and

NODIA

(B) 100 days
(C) 200 days
(D) 150 days

Oct/Nov 2017

110. In the following questions, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:
Assertion (A): Since 2001, States/UTs were given flexibility in fixing retail issue prices under the Targeted Public Distribution System (TPDS).
Reason (R): The restriction of fixing prices at not more than 50 paise per kg over and above the Central Issue Price (CIP) for BPL families was removed.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2008

111. The State Civil Supplies department recalls that a major policy shift occurred in April 2000 regarding the allocation of food grains. What was the allocation increased to for BPL families per month?
(A) 10 kg
(B) 35 kg
(C) 50 kg
(D) 20 kg

Oct/Nov 2013

112. In the following questions, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:
Assertion (A): Poverty alleviation is expected to make better progress in the next 50 years as a trickle-down effect of the growing middle class.
Reason (R): The growth of the middle class indicates that the distribution of wealth is entirely even in India.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2015

113. In the following questions, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:
Assertion (A): Women SHGs under DAY-NRLM typically consist of 10-20 persons.
Reason (R): Registration of an SHG under the Societies Act or a State cooperative Act is strictly mandatory.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2012

114. During the COVID-19 pandemic, the household noticed an increase in their daily wage rate under the MGNREGS due to government relief package announcements. What was the newly increased daily wage rate?
(A) Rs 182
(B) Rs 202
(C) Rs 500
(D) Rs 1,000

May/June 2011

115. In the same SHG comprising persons with disabilities under DAY-NRLM, the members wish to include both men and women. According to the scheme's guidelines, is this permissible?
(A) No, DAY-NRLM strictly permits only women in all SHGs without exception
(B) No, groups with men must be registered as independent corporate entities
(C) Yes, but only if the group size exceeds 20 persons
(D) Yes, as the scheme permits both men and women in groups for persons with disabilities

Oct/Nov 2020

116. Consider the following statements regarding the evolution of Targeted Public Distribution System (TPDS):
I Identification of the poor was initially done as per state-wise poverty estimates based on

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involve a means test, ensuring that every member of society receives a baseline level of financial security.

17. (A) 189.2 million people, which is about 14% of the population, are undernourished in India
Recent findings on food security in India paint a stark picture of the nutritional challenges facing the population. Approximately 189.2 million people, representing about 14% of the total population, are classified as undernourished. This data highlights the significant gap in achieving universal food security and the need for intensified efforts to improve caloric intake and overall health outcomes for millions.

18. (A) 101
The Global Hunger Index 2021 reflects serious concerns regarding India's nutritional status on a global scale. India was ranked 101 out of 116 countries, indicating a level of hunger categorized as serious. This ranking is determined based on four key indicators: undernourishment, child wasting, child stunting, and child mortality, underscoring the urgent need for comprehensive policy interventions in public health.

19. (D) BPL families paid 50% of the economic cost, while APL families paid the full economic cost
Effective from April 2000, the Targeted Public Distribution System introduced distinct pricing tiers for different household categories. Families below the poverty line were permitted to purchase food grains at 50% of the economic cost. Conversely, families above the poverty line were required to pay the full economic cost. This change was intended to focus government subsidies more heavily on the most vulnerable.

20. (A) Adopting a demand-driven strategy allowing states to design their own poverty reduction action plans
A significant shift in the implementation of the National Rural Livelihoods Mission involves the adoption of a demand-driven strategy. Unlike previous top-down models, this approach empowers states to design their own poverty reduction action plans tailored to local needs. It emphasizes social mobilization and the building of strong community institutions, ensuring that the poor have the agency to improve their livelihoods.

21. (C) It opens 3,000 stores to sell 500+ medicines at significantly lower than market prices
The Pradhan Mantri Jan Aushadhi Yojana aims to make quality healthcare affordable by providing generic medicines at significantly reduced prices. The scheme involves opening thousands of specialized stores across the country to sell over 500 types of medicines. These drugs are priced much lower than equivalent branded products, ensuring that essential healthcare remains accessible to all segments of society, particularly the poor.

22. (B) 21.9%
Based on the methodology established by the Tendulkar Committee and data from the 68th round of the sample survey, the incidence of poverty in India stood at 21.9% in 2011-12. This represented a notable decline from previous years. The methodology shifted the focus from mere calorie intake to a broader basket of goods, including expenditures on health and education, for estimation.

23. (D) It signifies economic prosperity and a trickle-down effect, despite uneven wealth distribution
The expansion of the middle class serves as a significant indicator of broader economic progress and the effectiveness of development policies. It signifies a trickle-down effect where economic prosperity reaches beyond the top tier, lifting individuals out of poverty. While wealth distribution may remain uneven, the increasing size of this demographic provides indirect evidence that poverty alleviation efforts are yielding results.

NODIA

24. (D) It strives to uplift the living condition of slum dwellers
The Valmiki Ambedkar Awas Yojana is a targeted social welfare program specifically designed to improve the lives of the urban poor. Its primary objective is to uplift the living conditions of slum dwellers by providing them with better housing facilities. By focusing on shelter and basic amenities, the scheme addresses one of the most critical aspects of urban poverty and social exclusion.

25. (B) Their weight is too low for their height
In the context of child malnutrition, wasting is a critical indicator that identifies acute nutritional

from malnutrition.
V Under five child mortality rates is one of the leading indicators of hunger indices.

Which of the above statement(s) is/are correct?
(A) Only (I), (II), (III), and (IV)
(B) Only (I), (III), (IV), and (V)
(C) Only (II), (III), (IV), and (V)
(D) All (I), (II), (III), (IV), and (V)

Oct/Nov 2011

98. Read the following scenario regarding rural development and answer the questions that follow: A Block Development Officer is establishing Self Help Groups (SHGs) under the DAY-NRLM in a remote tribal district. He encounters a group consisting entirely of persons with disabilities.
What is the minimum number of members required to form this specific SHG?
(A) 5 persons
(B) 10 persons
(C) 15 persons
(D) 20 persons

May/June 2010

99. The household is assigned work involving the digging of a local pond to conserve water for agriculture. This activity directly aligns with which core objective of the MGNREG Act?
(A) Providing affordable housing to slum dwellers
(B) Strengthening the livelihood resource base of the poor and creation of productive assets
(C) Transforming rural youth into a globally relevant workforce
(D) Subsidizing retail food grain prices

Oct/Nov 2024

100. In the following questions, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:
Assertion (A): Poverty declined at a faster rate in the 2000s compared to the 1990s.
Reason (R): Programs like the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) contributed to higher levels of poverty reduction in the 2000s.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2017

101. In December 2000, the state noticed a significant increase in the total number of recognized BPL families at the national level, rising to 652.03 lakh. What specific action caused this increase?
(A) Shifting the base to the population projections of the Registrar General as on 1 March, 2000
(B) Lowering the poverty line income threshold by 50%
(C) Completely removing the APL category from the distribution system
(D) Integrating the rural housing database with the food distribution database

Oct/Nov 2005

102. Consider the following statements regarding the Pradhan Mantri Ujjwala Yojana (PMUY):
I It was introduced in May 2016 by the Ministry of Petroleum and Natural Gas.
II It targets deprived households previously using traditional fuels like firewood and cow-dung cakes.
III The scheme initially targeted to release 8 crore LPG connections by March 2020.
IV It provides financial support of ₹1,600 for each connection to BPL households.
V The beneficiaries are required to pay full commercial price for their first LPG refill and stove.

Which of the above statement(s) is/are correct?
(A) Only (I), (II), (III), and (IV)
(B) Only (I), (III), (IV), and (V)
(C) Only (II), (III), (IV), and (V)
(D) All (I), (II), (III), and (IV), and (V)

May/June 2020

103. The newly formed SHG holds regular meetings and maintains proper accounts. After 4 months, they apply for the Revolving Fund (RF). Assuming they have not received any RF earlier, what is the maximum corpus amount they can be provided per SHG?
(A) ₹5,000
(B) ₹15,000
(C) ₹10,000
(D) ₹50,000

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not the rural population. Understanding these distinctions is vital, as rural and urban poverty often require different strategies, such as wage employment versus self-employment.

34. (D) To improve farmers' income and enlarge their wage opportunities
The Mahatma Gandhi National Rural Employment Guarantee Scheme has increasingly prioritized the creation of durable assets and the management of natural resources. This strategic focus is expected to have long-term benefits for the rural economy, particularly for farmers. By improving irrigation and land productivity, the program aims to enhance agricultural incomes and create more sustainable wage opportunities within the local rural community.

35. (A) Mandating that all rural youth must exclusively take up jobs in the unorganized sector
The National Rural Livelihoods Mission provides comprehensive support to self-help groups to ensure their long-term sustainability. This includes addressing indebtedness through financial assistance and nurturing federations to act as strong support organizations. However, the mission does not mandate that rural youth must work exclusively in the unorganized sector. Instead, it aims to provide diverse livelihood choices to empower the rural poor.

36. (A) To provide quality drugs/medicines at an affordable cost across the country
Launched in March 2016, the Pradhan Mantri Jan Aushadhi Yojana focuses on enhancing the accessibility and affordability of healthcare. Its primary goal is to provide high-quality generic drugs and medicines at a fraction of the cost of branded alternatives. By establishing dedicated outlets across the nation, the scheme ensures that life-saving medications are within the financial reach of all Indian citizens.

37. (A) The middle class growth proves that economic prosperity is high and wealth is distributed evenly
While the growth of the middle class is a positive economic sign, it is incorrect to assume it proves wealth is distributed evenly. In reality, economic prosperity often remains concentrated, even as the middle segment expands. Poverty eradication remains a complex, long-term challenge. Most experts agree that while programs have made significant strides, total success and even wealth distribution are yet to be achieved.

38. (D) Issuance of universal physical food stamps without electronic tracking
Modernizing the Targeted Public Distribution System involves several technology-based reforms to enhance transparency and efficiency. Key measures include the digitization of ration cards, online verification of beneficiary data, and computerized allocation to fair price shops. These electronic systems are designed to replace traditional, non-tracked methods, such as physical food stamps, which were historically prone to high levels of leakage and various administrative errors.

39. (D) It uses direct cash transfers via JAM to bypass systems prone to misallocation
Universal Basic Income is praised for its administrative efficiency because it simplifies the welfare delivery process. By utilizing the JAM platform—Jan Dhan, Aadhaar, and Mobile—the government can transfer funds directly into the bank accounts of citizens. This direct approach bypasses traditional, multi-layered systems that are often prone to misallocation, leakages, and high administrative costs, ensuring that the intended support reaches beneficiaries.

40. (D) Priority is exclusively accorded to male-headed households during the selection of beneficiaries
The Pradhan Mantri Awas Yojana-Grameen leverages convergence with various schemes to provide holistic housing solutions. This includes unskilled labour from MGNREGS and toilet construction through the Swachh Bharat Mission. However, the selection process does not exclusively prioritize male-headed households. On the contrary, the scheme specifically accords priority to female-headed households and those with a single girl child to promote social equity and empowerment.

41. (A) (III), (II), (IV), (I)
The history of poverty assessment and alleviation in India follows a clear timeline. The National Sample Survey Office was established first to collect essential data. This was followed by the introduction of the Food for Work Program in the 1970s. Major economic reforms were then

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grains to this specific group, the government aimed to ensure that the most vulnerable households were protected against chronic hunger.

58. (A) 20 crore women Jan Dhan account holders get Rs 1,000 per month for the next three months
The Pradhan Mantri Garib Kalyan Yojana included several specific financial and material benefits for different vulnerable groups. These included insurance for health workers and free food grains for 80 crore people. For women Jan Dhan account holders, the scheme provided 500 rupees per month for three months. It is incorrect to state that they received 1,000 rupees per month, as the benefit was targeted at a lower amount.

59. (C) Technology
Technology is identified as a crucial tool for enhancing the inclusiveness and efficiency of poverty alleviation programs. By digitizing records and using biometric identification, the government can effectively prevent leakages and ensure that services reach the intended beneficiaries. Technology-based solutions like the JAM trinity have transformed the delivery of subsidies, making the process more transparent and reducing the administrative barriers to social welfare.

60. (B) Centralizing all rural development planning strictly at the national government level
The Mahatma Gandhi National Rural Employment Guarantee Act focuses on providing guaranteed manual work while promoting decentralized governance. Its objectives include ensuring social inclusion and strengthening Panchayat Raj institutions by involving them in planning and implementation. The act does not aim to centralize rural development at the national level; instead, it empowers local bodies to identify works and manage the program according to local needs.

61. (A) P-3, Q-1, R-4, S-2
The Pradhan Mantri Gram Sadak Yojana operates with specific criteria and targets. In plain areas, the population requirement is 500 persons, whereas in special category states, it is 250 persons. The program identifies approximately 1.67 lakh unconnected habitations as eligible under its core network. Additionally, the scheme includes the upgradation of about 3.68 lakh kilometers of existing road length to ensure better rural connectivity.

62. (A) Only (I)
The National Rural Livelihoods Mission was launched as a restructured version of the Swarnjayanti Gram Swarozgar Yojana. It aims to organize the rural poor into self-help groups and higher-level federations. A key feature of this mission is the provision of long-term hand-holding support for five to seven years, rather than just one or two. This ensures that community institutions become sustainable and effective in the long run.

63. (A) P-3, Q-1, R-2, S-4
Indian welfare schemes are tailored to specific sectors and demographics. The Swarna Jayanti Shahari Rozgar Yojana targets urban employment, while the Valmiki Ambedkar Awas Yojana focuses on improving slum conditions. For rural areas, the Pradhan Mantri Awas Yojana-Grameen aims for universal housing, and the National Rural Livelihoods Mission mobilizes the poor into community institutions. Each program addresses a distinct aspect of the multi-dimensional challenge of poverty.

64. (C) Only (I) and (III)
The Pradhan Mantri Jan Aushadhi Yojana seeks to provide high-quality medicines at affordable prices through dedicated stores. These outlets are encouraged to be opened by various entities, including non-governmental organizations and private hospitals. To support the establishment of these stores, the government provides a one-time financial assistance of 2.5 Lakh rupees. Crucially, the medicines are sold at prices significantly lower than the market rates of branded drugs.

65. (A) Pradhan Mantri Ujjwala Yojana - Ministry of Petroleum and Natural Gas
Different ministries in India are responsible for various flagship welfare programs. The Pradhan Mantri Ujjwala Yojana, which provides clean cooking fuel to poor households, is implemented by the Ministry of Petroleum and Natural Gas. This alignment ensures that the scheme is managed by the department with the technical expertise and infrastructure necessary to oversee

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does not consider urban consumption patterns of fast food, as its focus is on essential nutrition and survival among the vulnerable.

50. (C) Kerala
The Pradhan Mantri Gram Sadak Yojana applies a lower population threshold of 250 persons for connectivity in special category states. These states typically include Himalayan regions and the North-East, such as Sikkim, Himachal Pradesh, and Uttarakhand. Kerala, being a coastal state in southern India with different demographic characteristics, does not fall under this specific special category for the purpose of the scheme's population criteria.

51. (D) The growth of the middle class
The growth of the middle class is often cited as indirect evidence of successful poverty reduction. This demographic expansion suggests that economic growth is reaching broader segments of the population. As people transition from lower-income brackets to the middle class, it reflects an overall improvement in living standards. This trend is considered a sign that various economic and social interventions are successfully lifting people out of poverty.

52. (D) Over 50% of children attending anganwadis are currently malnourished and underweight
The Integrated Child Development Services, often called the anganwadi program, is a major initiative for early childhood development. It targets children under six to improve their nutrition, health, and education. While malnutrition remains a significant challenge that the program seeks to address, it is incorrect to state that over 50% of children currently attending these centers across the nation are malnourished and underweight.

53. (C) Complete isolation from the impact of rise in prices of food products
High rural poverty is primarily driven by factors like subsistence farming, lack of sustainable livelihoods, and under-employment. Furthermore, rural populations are not isolated from broader economic trends; they are particularly vulnerable to the rising prices of food products. Since the poor spend a large portion of their income on food, inflation in food prices significantly impacts their ability to meet basic nutritional and economic needs.

54. (C) Till they come out of abject poverty
The National Rural Livelihoods Mission provides long-term, intensive support to community institutions to ensure sustainable poverty reduction. This hand-holding, which typically lasts for five to seven years, is designed to nurture the poor until they can successfully emerge from abject poverty. The goal is to build their internal capacity and financial strength so they can maintain their improved livelihoods independently without further external assistance.

55. (A) A universal basic income of Rs 5,000 per month for every citizen regardless of income
The Pradhan Mantri Garib Kalyan Yojana, announced in March 2020, included various targeted relief measures for the poor. These included increasing MGNREGA wages, front-loading payments to farmers, and utilizing construction worker welfare funds. However, it did not include a universal basic income for every citizen. The package was designed as a targeted intervention for specific vulnerable groups rather than a universal unconditional cash grant.

56. (A) The Rangarajan committee report showed a slower reduction in poverty during 2009-10 to 2011-12 compared to previous decades
Poverty reduction trends in India show significant acceleration during the 2000s compared to the 1990s. Reports from the Rangarajan committee actually highlighted a faster reduction in poverty during the period of 2009-10 to 2011-12. This decline was particularly notable among marginalized groups like Scheduled Castes and Scheduled Tribes. International data also supports this, showing strong annual growth and substantial progress in lifting citizens out of poverty.

57. (A) To make the TPDS more focused and targeted towards the one crore poorest of the poor families
The Antyodaya Anna Yojana was launched in December 2000 to refine the Targeted Public Distribution System. Its core objective was to reach the absolute bottom tier of the population, specifically one crore of the poorest of the poor families. By providing highly subsidized food

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indicators include the high prevalence of anemia among women and stunting among children. These figures are essential for directing policy interventions and measuring the impact of food security programs like the Public Distribution System and ICDS.

75. (D) All (I), (II), (III), and (IV)
Poverty estimates for the 2000s show a period of significant progress in India. During 2004-05 to 2011-12, poverty declined by 2.2 percentage points annually. Factors such as strong economic growth and the implementation of MGNREGA were key contributors to this trend. International reports corroborated these findings, noting that India maintained an annual growth rate exceeding 7% for fifteen years, facilitating a faster reduction in poverty levels.

76. (A) P-3, Q-4, R-1, S-2
Various committees have shaped India's understanding of poverty. The Lakdawala methodology was used for 1993-94 estimates, while the Tendulkar Committee found poverty declined to 21.9% by 2011-12. The Rangarajan Committee highlighted even faster reductions in the early 2010s. Additionally, specific studies have identified urban growth as the most critical factor in poverty reduction during the post-reform period, highlighting the changing economic landscape of the country.

77. (A) Only (I) and (II)
The Pradhan Mantri Gram Sadak Yojana aims to provide all-weather road connectivity to isolated rural areas. It specifically targets habitations with a population of 500 in plain areas and 250 in special category regions. Far from excluding them, the scheme's criteria are specifically designed to include desert areas and tribal districts. By ensuring a single all-weather road, the program facilitates access to markets, schools, and essential health services.

78. (A) P-3, Q-4, R-1, S-2
The Pradhan Mantri Awas Yojana-Grameen provides holistic housing by converging with several other government programs. Beneficiaries receive 90 to 95 days of unskilled labour from MGNREGS and assistance for toilet construction from the Swachh Bharat Mission. Furthermore, other programs provide essential services like piped drinking water, electricity, and LPG connections. This integrated approach ensures that the poor receive a functional home with all basic modern amenities.

79. (D) Neither (I) nor (II)
The Public Distribution System has undergone a significant reversal in its policy framework over the decades. Initially, it functioned as a universal program available to all citizens. However, since 1997, it was transformed into a targeted system focused specifically on the poor. Therefore, statements claiming it began as a targeted program and later became universal are incorrect; the actual historical trajectory moved from universal coverage to targeting.

80. (D) Overall population that is undernourished - 37.2%
Malnutrition data from 2020 highlights several critical areas of concern for India. While 51.4% of women in the reproductive age group are anemic and 34.7% of children under five are stunted, the overall undernourished population is estimated at 14%. The figure of 37.2% refers to an older poverty estimate from the Tendulkar Committee, not the current percentage of undernourished people, highlighting the distinction between economic and nutritional metrics.

81. (D) All (I), (II), (III), and (IV)
The Pradhan Mantri Awas Yojana-Grameen is a comprehensive housing scheme with several social and technical features. It prioritizes female-headed households and those with a single girl child. Through convergence, it provides unskilled labour and toilet construction assistance. By March 2021, over 1.63 crore houses had been completed under the scheme. This program reflects a large-scale effort to provide dignified living conditions and basic infrastructure to the rural poor.

82. (A) P-4, Q-3, R-2, S-1
The Mahatma Gandhi National Rural Employment Guarantee Scheme has a vast operational reach across India. It covers over 7,164 blocks and approximately 2.69 lakh Gram Panchayats. Among its active workers, Scheduled Castes and Scheduled Tribes represent significant proportions, at 20.2% and 16.2% respectively. These statistics highlight the scheme's role in

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the distribution of liquefied petroleum gas and related equipment nationwide.

66. (A) Only (I), (II), and (III)
Guidelines for Self-Help Groups under the National Rural Livelihoods Mission prioritize flexibility for vulnerable groups. While typical groups consist of 10 to 20 women, the minimum size is reduced to five for remote tribal areas and persons with disabilities. Furthermore, groups for those with disabilities can include both men and women. Importantly, these groups are not required to be formally registered under any specific cooperative or societies act.

67. (A) (II), (IV), (I), (III)
The Public Distribution System has evolved through several key stages. First, state-wise poverty estimates were established using the Lakdawala methodology. This was followed by the introduction of the Targeted Public Distribution System in 1997. Subsequently, in April 2000, food grain allocations for BPL families were increased to 20 kg. Finally, the population projection base for calculating these families was shifted later in the same year.

68. (C) Both (I) and (II)
The JAM Trinity—Jan Dhan, Aadhaar, and Mobile—offers a powerful technological framework for the efficient targeting of public resources. By integrating these systems, the government has overhauled the subsidy regime, moving toward Aadhaar-based Direct Benefit Transfers. This transition has significantly improved the delivery of welfare by reducing leakages and ensuring that financial support is transferred directly into the bank accounts of those who truly need it.

69. (B) Only (II) and (III)
The National Rural Livelihoods Mission is implemented in a mission mode, but it uniquely adopts a demand-driven approach rather than a supply-driven one. This allows states to identify intensive districts based on specific demographic vulnerabilities. The mission places heavy emphasis on continuous capacity building and the imparting of skills, ensuring that the rural poor have the necessary tools and institutions to achieve sustainable livelihood improvements.

70. (A) P-2, Q-3, R-4, S-1
The timeline of the Targeted Public Distribution System includes several critical milestones. It was introduced in June 1997, following the 1993-94 Lakdawala methodology for poverty estimates. In April 2000, the monthly food grain allocation for BPL families was raised to 20 kg. Later, in December 2000, the number of recognized BPL families increased due to a shift in the population projection base used for calculations.

71. (A) Only (I), (II), and (III)
The Pradhan Mantri Garib Kalyan Yojana was a 1.70 Lakh crore relief package launched to combat the pandemic impact. Key provisions included a 50 Lakh rupee insurance cover for frontline health workers and free food grains for 80 crore poor people. While it provided ex-gratia payments to senior citizens, widows, and the disabled, it did not include a specific benefit exclusively for young unemployed graduates.

72. (B) P-3, Q-4, R-1, S-2
Financial support for Self-Help Groups involves specific limits and rates. The Revolving Fund provided to these groups ranges from a minimum of 10,000 to a maximum of 15,000 rupees. For larger activities, interest subvention is available on bank loans up to 3,00,000 rupees. In prompt repayment cases, the effective interest rate for these groups can be reduced to as low as 4%, significantly lowering their borrowing costs.

73. (B) Only (II)
Universal Basic Income is founded on the principles of universality and unconditionality, meaning it is provided to all without specific requirements. Proponents argue that it improves administrative efficiency by using direct cash transfers through the JAM platform. However, a significant aspect of its implementation is that it typically replaces or forfeits other existing government-aided benefits, as it is intended to serve as a consolidated financial safety net.

74. (D) Percentage of undernourished in the total population - 14%
Nutritional metrics in India reveal significant public health challenges across various demographics. Data shows that the percentage of the total population classified as undernourished stands at approximately 14%. Other critical

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replace the Pradhan Mantri Gram Sadak Yojana, which is an infrastructure program.

91. (C) Assertion (A) is true, but Reason (R) is false.
High rural poverty is deeply linked to the nature of the rural economy, specifically subsistence agriculture and a lack of sustainable non-farm livelihoods. Contrary to being immune, rural households are often severely affected by rising food prices because they spend a large portion of their income on basic nutrition. Therefore, while the factors causing poverty are well-understood, the assumption that rural incomes are protected from inflation is factually incorrect.

92. (C) 4%
Under the National Rural Livelihoods Mission, women Self-Help Groups in identified districts benefit from significant interest subvention. While banks lend at a standard rate of 7%, groups that demonstrate prompt repayment are eligible for an additional subvention of 3%. This reduces their effective interest rate to just 4%. This financial incentive encourages disciplined repayment habits while making credit much more affordable for small community-owned institutions and their various entrepreneurial activities.

93. (B) Only (I), (III), (IV), and (V)
The Mahatma Gandhi National Rural Employment Guarantee Scheme provides a legal guarantee for unskilled manual work, not highly skilled technical labor. It ensures at least 100 days of work per year, extending to 150 days in drought-affected areas. The program has a massive scale, with over 15 crore active workers. It aims to create durable assets that strengthen the local rural economy while providing essential income support to millions of households.

94. (C) Swachh Bharat Mission – Gramin
The Pradhan Mantri Awas Yojana-Grameen achieves its goal of providing functional homes through strategic convergence with other programs. For the construction of toilets, the scheme leverages assistance from the Swachh Bharat Mission–Gramin. This ensures that every new house built for the rural poor is equipped with proper sanitation facilities. Such convergence allows the government to deliver a comprehensive set of basic amenities while maximizing the impact of different specialized welfare programs.

95. (D) Assertion (A) is false, but Reason (R) is true.
The Revolving Fund and the Community Investment Support Fund serve distinct but complementary roles in the National Rural Livelihoods Mission. The Revolving Fund is designed to build the financial management capacity and credit history of a Self-Help Group. While it is a prerequisite for receiving the larger Community Investment Support Fund, its primary purpose remains the strengthening of the group's internal processes. Therefore, the assertion about eligibility is incorrect based on the provided reason.

96. (B) Expert Group chaired by Late Prof Lakdawala
When the Targeted Public Distribution System was first introduced, it required a reliable method for identifying poor households across different states. For the 1993-94 estimates, the Planning Commission utilized the methodology developed by the Expert Group chaired by Late Professor Lakdawala. This approach provided the initial state-wise poverty estimates necessary to implement the targeted subsidies, marking a significant step in the evolution of India's social safety net programs.

97. (D) All (I), (II), (III), (IV), and (V)
India faces persistent nutritional challenges that require multi-faceted policy responses. A large proportion of women are anemic, and many children suffer from malnutrition, impacting child mortality rates. To address this, programs like the Antyodaya Anna Yojana target the poorest households. Additionally, data indicates a decline in dietary energy intake over recent decades, highlighting the need for continued focus on improving caloric consumption and overall public health outcomes for the population.

98. (A) 5 persons
Under the National Rural Livelihoods Mission, the government provides flexibility in the formation of Self-Help Groups for particularly vulnerable populations. While standard groups usually require 10 to 20 members, this number is reduced for specific categories. For groups consisting of persons with disabilities or those in remote tribal areas, the minimum membership

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providing inclusive employment and supporting the livelihoods of the most marginalized communities in rural areas.

83. (A) P-3, Q-2, R-4, S-1
Social welfare in India involves various strategies. The Right to Food Act aims to provide subsidized grains to two-thirds of the population, while Universal Basic Income offers equal financial grants without a means test. The Swarna Jayanti Shahari Rozgar Yojana encourages urban self-employment, and the JAM trinity plugs subsidy leakages through digital identity. Together, these initiatives represent a multi-faceted approach to improving food security, income, and administrative efficiency.

84. (D) All (I), (II), and (III)
The Integrated Child Development Services, also known as the anganwadi program, is critical for addressing severe child malnutrition. Estimates suggest that about 2.3 crore children up to age six are malnourished and underweight. In certain regions, nearly half of the children attending these centers suffer from underweight conditions. The program's integrated services are essential for improving the health outcomes and early developmental potential of these vulnerable children.

85. (D) Neither (I) nor (II)
Historical poverty data for India shows a downward trend, not an upward one. According to the Tendulkar Committee methodology, the incidence of poverty actually decreased from 37.2% in 2004-05 to 21.9% in 2011-12. Furthermore, high rural poverty is typically attributed to subsistence agriculture rather than high farm incomes from commercial farming. Understanding these correct historical and economic trends is vital for accurately evaluating the impact of developmental policies.

86. (B) P-3, Q-1, R-4, S-2
National and international reports provide key data on India's poverty and hunger. The 2020 food security estimates showed 189.2 million people are undernourished, while the Global Hunger Index 2021 ranked India 101st. Domestic surveys from 2011-12 indicated poverty had declined to 21.9%. Additionally, the Antyodaya Anna Yojana expanded to support 2.5 crore households, demonstrating the scale of interventions required to address the multi-dimensional challenges of poverty.

87. (A) Only (I), (II), and (III)
Poverty alleviation in India relies on economic growth, targeted subsidies, and skill development. While the growing middle class suggests a trickle-down effect, technology acts as an enabler rather than a barrier to inclusiveness by preventing leakages. Programs that provide controlled-price food grains and vocational training are essential components of this strategy. These efforts aim to empower individuals toward self-employment while ensuring that their basic nutritional needs are met affordably.

88. (A) P-4, Q-3, R-2, S-1
The Pradhan Mantri Garib Kalyan Yojana targeted several groups with specific benefits during the pandemic. Health workers received 50 Lakh rupees in insurance cover, while 80 crore people were provided free wheat, rice, and pulses. Women Jan Dhan account holders received 500 rupees monthly for three months. Farmers also benefited from the front-loading of 2,000 rupees in early April 2020, providing critical liquidity to millions of agricultural households.

89. (A) Only (I) and (II)
Research on poverty trends highlights the transformative impact of the 1991 economic reforms. A specific study showed that poverty declined by 1.36 percentage points annually after 1991, significantly faster than in the pre-reform period. Urban growth was identified as the single most important contributor to this rapid reduction. These findings challenge older assumptions and emphasize the role of broader economic liberalization in lifting large numbers of people out of poverty.

90. (A) MGNREGS - PMGSY
Many current flagship programs are restructured versions of older schemes. For example, the National Rural Livelihoods Mission replaced the Swarnjayanti Gram Swarozgar Yojana, and the Pradhan Mantri Awas Yojana-Grameen succeeded the Indira Awas Yojana. However, the Mahatma Gandhi National Rural Employment Guarantee Scheme is a unique legislative initiative for wage employment and did not

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106. (A) Only (I), (II), (III), and (IV)
Interest subvention under the National Rural Livelihoods Mission makes credit more accessible for women Self-Help Groups. In many districts, banks lend directly at 7%, and an additional 3% subvention is available for prompt repayment. While the scheme is available nationwide, it is incorrect to say that groups in other districts are entirely ineligible for any subvention. The program includes various mechanisms to ensure that women's groups across the country receive some level of interest support.

107. (A) Priority is accorded to female headed households and households with single girl child
The Pradhan Mantri Awas Yojana-Grameen includes specific social guidelines to promote equity in the selection of beneficiaries. Priority is explicitly given to households that are most vulnerable, including those headed by women and those with a single girl child. This policy ensures that the limited resources of the housing program are first directed toward individuals who face the greatest social and economic risks, thereby fostering greater empowerment and security for marginalized families.

108. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Adoption of a Universal Basic Income is often proposed as a solution to the administrative challenges of traditional welfare. By providing direct cash transfers through the JAM platform, it can bypass the leakages and misallocations often found in targeted programs. Proponents argue that this makes the delivery of assistance more efficient and transparent. Therefore, the administrative benefits provided by modern financial technology serve as a strong rationale for advocating for a universal grant.

109. (D) 150 days
In regions officially declared as drought-affected, the Mahatma Gandhi National Rural Employment Guarantee Scheme provides enhanced protection for rural livelihoods. While the standard guarantee is 100 days of work per year, this is increased to 150 days in these distressed areas. This additional employment provides a critical financial cushion for households facing the loss of agricultural income, helping them meet their basic needs during periods of severe environmental and economic hardship.

110. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Since 2001, state governments have been granted more flexibility in managing the retail issue prices of food grains under the Targeted Public Distribution System. This change removed the previous restriction that limited the markup for BPL families to just 50 paise per kilogram above the central issue price. This policy shift allows states to better manage their own distribution costs and adapt the pricing of essential commodities to reflect their specific local economic conditions.

111. (D) 20 kg
A major shift in the Targeted Public Distribution System occurred in April 2000, aimed at enhancing food security for the poor. The monthly allocation of food grains for families below the poverty line was doubled, increasing from 10 kg to 20 kg. This substantial increase was intended to provide a more reliable supply of basic staples, helping vulnerable households meet a larger portion of their nutritional requirements through highly subsidized government-provided grains.

112. (C) Assertion (A) is true, but Reason (R) is false.
The growth of the middle class is a positive indicator that poverty is being reduced through a trickle-down effect of economic expansion. However, it is a mistake to assume that this growth implies wealth is now distributed evenly across society. In reality, significant wealth gaps remain. Therefore, while the expansion of the middle class provides evidence of progress, it does not suggest that the goal of equitable wealth distribution has been fully realized.

113. (C) Assertion (A) is true, but Reason (R) is false.
Self-Help Groups under the National Rural Livelihoods Mission are designed to be flexible community-based organizations. While they typically consist of 10 to 20 women, their internal management is left largely to the members. Crucially, the scheme does not mandate that these groups must be formally registered under any specific Societies or cooperative Act. This approach reduces administrative hurdles, making it easier for poor rural women to organize

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requirement is just five persons. This lower threshold ensures that even small clusters of vulnerable individuals can organize and access support.

99. (B) Strengthening of the livelihood resource base of the poor and creation of productive assets
The Mahatma Gandhi National Rural Employment Guarantee Scheme is designed to provide immediate income while building long-term community resilience. Activities such as digging ponds for water conservation are central to the program's mission. These works directly align with the core objective of strengthening the livelihood resource base of the rural poor. By creating productive assets, the scheme helps improve agricultural productivity and ensures more sustainable employment opportunities within the village environment.

100. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The acceleration of poverty reduction in India during the 2000s is attributed to both economic growth and proactive government policy. Legislative initiatives like the Mahatma Gandhi National Rural Employment Guarantee Act provided a vital income floor for rural households. This ensured that the benefits of growth reached the poorest more effectively than in the 1990s. Therefore, the implementation of such large-scale welfare programs is a key reason for the faster decline in poverty observed.

101. (A) Shifting the base to the population projections of the Registrar General as on 1 March, 2000
In December 2000, the official count of families recognized as being below the poverty line increased significantly at the national level. This was not due to a change in the poverty line itself, but rather a shift in the population data used for calculations. By adopting the population projections of the Registrar General as of March 1, 2000, the government more accurately reflected the current demographic reality, leading to a higher number of eligible beneficiaries.

102. (A) Only (I), (II), (III), and (IV)
The Pradhan Mantri Ujjwala Yojana, launched in 2016, aimed to provide 8 crore LPG connections to poor households to replace traditional fuels. The government provides 1,600 rupees in financial support per connection. However, it is incorrect to state that beneficiaries must pay full commercial prices for their first refill and stove. In fact, many are provided with these first items free of cost to facilitate an immediate and sustainable transition to cleaner energy.

103. (B) ₹15,000
Self-Help Groups under the National Rural Livelihoods Mission can apply for the Revolving Fund after demonstrating stable organizational practices for several months. This fund is intended to build the group's initial corpus and financial management skills. The amount provided is a minimum of 10,000 rupees and a maximum of 15,000 rupees per group. This support is crucial for establishing a credit history that eventually allows the group to access larger loans from formal banks.

104. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The Mahatma Gandhi National Rural Employment Guarantee Scheme is considered self-targeted because it involves demanding manual labor at a minimum wage. Generally, only those from deprived households who lack other sustainable employment options volunteer for such work. This inherent design ensures that the program naturally reaches those who are most in need of income support. Consequently, the scheme effectively directs resources to the intended population without the need for complex means-testing.

105. (C) Pradhan Mantri Ujjwala Yojana
For households living below the poverty line, transitioning from traditional fuels to modern energy is often hindered by high initial costs. The Pradhan Mantri Ujjwala Yojana specifically addresses this barrier by providing financial support for the security deposit of the LPG cylinder, the pressure regulator, and the hose. By covering these upfront expenses, the scheme enables poor families to adopt cleaner cooking methods, thereby improving their indoor air quality and overall respiratory health.

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launched in 1991. Finally, the Mahatma Gandhi National Rural Employment Guarantee Scheme was implemented in 2005 to legally guarantee work.

42. (C) It focuses on youth in the age group of 15-25 years exclusively
The Deendayal Upadhyaya Grameen Kaushalya Yojana is a placement-linked skill training program launched in September 2014. It aims to prepare a skilled workforce to support the Make in India initiative. While it targets rural youth, its scope is not strictly limited to the 15 to 25 age group. It generally covers a broader range, typically including individuals between 15 and 35 years old.

43. (B) Multi-national pharmaceutical manufacturing conglomerates exclusively
The Pradhan Mantri Jan Aushadhi Yojana encourages a wide range of entities to participate in the distribution of affordable medicines. Eligible groups to open Jan Aushadhi stores include private hospitals, non-governmental organizations, and other various social groups. The scheme is not restricted to large multi-national pharmaceutical conglomerates. This inclusive approach ensures that generic medicines can be made available through local community-based and private healthcare providers.

44. (D) Groups formed in highly urbanized metropolitan centers
Under the National Rural Livelihoods Mission, the standard size for a Self-Help Group is 10 to 20 members. However, flexibility is provided for certain vulnerable categories, where the minimum requirement is reduced to five persons. This exception applies to groups in difficult terrains, remote tribal areas, and those formed by persons with disabilities. This flexibility does not extend to groups in highly urbanized metropolitan centers.

45. (C) It targeted the poor with subsidies while allowing others to buy at full economic cost
The transition to the Targeted Public Distribution System in 1997 represented a major policy shift from universal coverage. The new system was designed to focus food subsidies specifically on the poor. Under this framework, households below the poverty line received food grains at highly subsidized rates. In contrast, those above the poverty line were required to pay prices closer to the full economic cost.

46. (B) Poverty declined by 0.44 percentage points per annum after 1991, compared to 1.36 percentage points prior to that period
Long-term poverty trends in India show that the rate of decline has fluctuated over different periods. Contrary to some assumptions, poverty actually declined more rapidly after the 1991 economic reforms than in the period immediately preceding them. Data indicates that between 2004-05 and 2011-12, the decline reached 2.2 percentage points annually, successfully lifting approximately 138 million people above the poverty line during that time.

47. (B) To strengthen their institutional and financial management capacity and build a good credit history within the group
The Revolving Fund is a strategic financial tool provided to Self-Help Groups under the National Rural Livelihoods Mission. Its primary purpose is to strengthen the institutional and financial management capacity of the group. By managing this initial corpus, members learn to handle internal lending and repayments. This process helps the group build a solid credit history, making them more eligible for larger bank loans.

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48. (B) 10.50 lakh km road lengths were sanctioned as on 2020-21
The Pradhan Mantri Gram Sadak Yojana has significant targets for expanding and improving the rural road network. Data shows that approximately 1.67 lakh unconnected habitations are eligible for coverage. The program includes the construction of 3.71 lakh kilometers of new roads and the upgradation of another 3.68 lakh kilometers. As of 2020-21, the total sanctioned road length is approximately 7.50 lakh kilometers, not 10.50.

49. (A) The per capita annual consumption of fast food in urban centers
The Global Hunger Index uses specific biological and demographic indicators to rank countries based on the severity of hunger. These include the proportion of the undernourished population, child mortality rates for those under five, and the prevalence of stunting and wasting in children. It

and access various financial and developmental benefits.

114. (B) Rs 202
During the COVID-19 pandemic, the government introduced several relief measures to support rural workers through the Mahatma Gandhi National Rural Employment Guarantee Scheme. One significant measure was the increase in the daily wage rate. Wages were raised from 182 rupees to 202 rupees, providing immediate additional income to millions of laborers. This wage hike was part of a broader effort to mitigate the economic distress caused by lockdowns and the disruption of normal work.

115. (D) Yes, as the scheme permits both men and women in groups for persons with disabilities
While the National Rural Livelihoods Mission primarily focuses on mobilizing women, it provides specific exceptions for other vulnerable groups. In groups formed for persons with disabilities, the inclusion of both men and women is permitted. This inclusive approach recognizes the unique challenges faced by the disabled community and allows them to organize collectively regardless of gender. This flexibility ensures that all disabled individuals have the opportunity to benefit from the social support.

116. (A) Only (I), (II), (III), and (IV)
The Targeted Public Distribution System has been shaped by several key policy decisions since its inception in 1997. These include using the Lakdawala methodology for initial poverty estimates and doubling the food grain allocation for BPL families in 2000. Additionally, the population base for identifying these families was updated. However, the policy regarding the 50-paise markup was eventually relaxed in 2001, rather than being made strictly permanent, to give states more administrative flexibility.

117. (D) 90/95 person-days
The Pradhan Mantri Awas Yojana-Grameen provides comprehensive support to its beneficiaries by integrating with other social programs. A key provision is the entitlement to unskilled labor for the construction of the house. Beneficiaries are eligible for 90 to 95 person-days of such labor, which is sourced through the Mahatma Gandhi National Rural Employment Guarantee Scheme. This convergence helps reduce the financial burden of construction while ensuring that the work provides employment to the local community.

118. (C) Assertion (A) is true, but Reason (R) is false.
The Deendayal Upadhyaya Grameen Kaushalya Yojana is a specialized program focused on placement-linked skill training for rural youth. Its goal is to provide vocational skills that lead to regular, formal employment. It is important to distinguish this from the MGNREGS, which is a wage employment scheme providing unskilled manual work. While both programs aim to support rural livelihoods, they target different segments of the labor market and provide fundamentally different types of opportunities.

119. (A) Aadhaar payment bridge
To ensure that wages reach the correct recipients without any unauthorized diversions, programs like MGNREGS have adopted modern financial technology. The Aadhaar payment bridge is specifically used to link wage payments directly to the bank accounts of the beneficiaries. This system uses biometric identification to verify the identity of the worker, significantly reducing the risks of ghost beneficiaries and ensuring that public funds are delivered with high levels of transparency and efficiency.

120. (C) Assertion (A) is true, but Reason (R) is false.
The Pradhan Mantri Awas Yojana-Grameen addresses the multi-dimensional needs of the poor through convergence with several other government schemes. This includes receiving 90 to 95 person-days of unskilled labor from MGNREGS. While the assertion correctly states that the scheme addresses basic needs through convergence, the reason provided about labor entitlement is a specific example of this convergence rather than a general explanation of the assertion's principle regarding all needs.

121. (D) Rs 500 per month for three months
As part of the COVID-19 relief measures, the government utilized the Jan Dhan financial infrastructure to deliver immediate cash assistance to the vulnerable. For 20 crore women Jan Dhan account holders, a specific benefit of 500 rupees per month was provided for three consecutive months. This direct transfer aimed

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to provide quick liquidity and financial support to women, helping them manage their household expenses during the economic disruptions caused by the global pandemic.

122. (C) One crore poorest of the poor families
The Antyodaya Anna Yojana was specifically designed to reach the most disadvantaged segment of the population within the Targeted Public Distribution System. Its initial target was one crore of the poorest of the poor families. By identifying and supporting this specific group, the government aimed to ensure that those with the least resources had access to highly subsidized food grains. This targeted approach is essential for preventing chronic hunger and addressing the needs of the most vulnerable.

123. (C) It forfeits other government aided benefits
While Universal Basic Income offers significant administrative advantages through direct cash transfers, it also involves a major trade-off for beneficiaries. According to general economic analysis, implementing such a program usually means that recipients must forfeit other existing government-aided benefits. This consolidation is intended to streamline welfare delivery, but it requires individuals to rely on a single, unconditional grant rather than a variety of specialized services such as food subsidies or specific targeted programs.

124. (A) The principle of unconditionality and lack of a means test
Universal Basic Income is distinguished from traditional welfare systems by its core principles of universality and unconditionality. The principle of unconditionality specifically dictates that the financial grant must be provided without any means test or verification of the recipient's poverty status. This ensures that every citizen receives the benefit automatically, regardless of their economic situation, thereby eliminating the complex administrative processes and potential exclusions associated with targeting and verifying the income status of beneficiaries.

125. (B) Rs 1,000
The emergency relief package announced during the pandemic included specific ex-gratia payments to support those who could not work, such as the elderly and disabled. A one-time amount of 1,000 rupees was provided to three crore individuals, including poor senior citizens, widows, and those with disabilities. This payment was designed to offer immediate financial relief to those most vulnerable to the economic shocks of the pandemic, ensuring they had some resources for essential needs.

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CHAPTER 16
Rural Housing and Education Loans

Oct/Nov 2014

1. What defines an "affordable housing" project according to the March 2017 Ministry of Finance notification?

(A) A project using at least 40% of floor space index (FSI) for units with a carpet area of not more than 50 sq m.

(B) A project using at least 50% of floor space index (FSI) for units with a carpet area of not more than 60 sq m.

(C) A project using at least 60% of floor space index (FSI) for units with a carpet area of not more than 75 sq m.

(D) A project using at least 75% of floor space index (FSI) for units with a carpet area of not more than 90 sq m.

May/June 2023

2. How is a "pucca" house defined under the Pradhan Mantri Awas Yojana - Gramin (PMAY-G)?

(A) A house able to withstand normal wear and tear due to usage and natural forces for a period of at least 15 years.

(B) A house able to withstand normal wear and tear due to usage and natural forces for a period of at least 20 years.

(C) A house able to withstand normal wear and tear due to usage and natural forces for a period of at least 25 years.

(D) A house able to withstand normal wear and tear due to usage and natural forces for a period of at least 30 years.

Oct/Nov 2010

3. Under Section 80E of the Income Tax Act, 1961, how is 'Higher education' explicitly defined?

(A) Any graduate or post-graduate degree program pursued from a university formally recognized by the University Grants Commission.

(B) Any professional or vocational diploma course pursued after successfully completing graduation from a recognized institution.

(C) Any course of study pursued after passing the Senior Secondary Examination or equivalent from a recognized Board or university.

(D) Any technical education course certified by the All India Council for Technical Education through its authorized regional centers.

May/June 2005

4. What is the definition of Below Poverty Line (BPL)?

(A) A demographic classification used to identify households earning less than a specific threshold like ₹ 10,000 per month.

(B) A statutory line defined by the Planning Commission to identify households lacking basic food security and nutrition.

(C) An economic indicator representing households dependent entirely on daily wage labour under various government social schemes.

(D) A benchmark identifying households in need of government assistance due to significant economic disadvantage.

Oct/Nov 2022

5. How are Equated Monthly Installments (EMI) defined?

(A) A varying payment amount made by a borrower based on the fluctuating interest rate at the end of each quarter.

(B) A structured repayment method where the principal decreases but the interest remains constant over the loan tenure.

(C) A fixed payment amount made by a borrower to a lender at a specified date each calendar month.

(D) A flexible payment system allowing the borrower to pay only the interest component each calendar month.

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floating rate of interest.

May/June 2023

36. Which statement regarding the priority sector classification limits for housing repairs is INCORRECT?

(A) Loans up to ₹ 10 lakh in metropolitan centres are eligible.

(B) Loans up to ₹ 6 lakh in other centres are eligible.

(C) The repairs must conform to the overall cost of the dwelling unit as prescribed.

(D) Loans for repairs in metropolitan centres are capped at ₹ 15 lakh to qualify as priority sector.

Oct/Nov 2018

37. Which statement regarding the timelines under PMAY-G is INCORRECT?

(A) The amount is credited to the beneficiary's bank account within a period of one week after the issuance of the sanction letter.

(B) The construction of the house should be completed within a period of 12 months from the date of the sanction letter.

(C) The objective under the program was to cover one crore households in three years from 2016-17 to 2018-19.

(D) The beneficiary is given a mandatory 24-month grace period to commence construction after the funds are released.

May/June 2007

38. Which statement regarding the security requirements for an education loan is INCORRECT?

(A) The loan documents should be executed by the student and the parent/guardian as joint-borrowers.

(B) In the case of a married person, the joint borrower can be the spouse or parent(s)/ parents-in-law.

(C) Tangible security acceptable to the bank is required for loans up to ₹ 4 lakhs.

(D) The unencumbered portion of a previously mortgaged land/building can be taken as security on a second charge basis.

Oct/Nov 2025

39. Which statement regarding the tax benefits under Section 80E is INCORRECT?

(A) Deductions are allowed on the interest paid on the education loan.

(B) The benefit covers the student for whom the taxpayer is the legal guardian.

(C) The maximum period for which the deduction can be claimed is 8 years.

(D) The tax deduction applies equally to both the principal repayment and the interest payment.

May/June 2012

40. Which statement regarding NABARD's role in rural sanitation is INCORRECT?

(A) NABARD restricts its sanitation funding exclusively to government-owned public utilities, prohibiting any assistance to SHG women.

(B) NABARD extends loans to the National Centre for Drinking Water, Sanitation and Quality.

(C) NABARD has conducted more than 2,000 Sanitation Literacy Programs.

(D) A refinance product to support the WASH sector has been launched by NABARD for all eligible financial institutions.

Oct/Nov 2014

41. Which of the following is NOT an exclusion criterion under the PMAY-G scheme?

(A) Owning a mechanized three/four-wheeler agricultural equipment.

(B) Having any member of the family paying professional tax.

(C) Owning a bicycle.

(D) Owning 5 acres or more of irrigated land for two or more crop seasons.

May/June 2019

42. Which of the following is NOT considered an eligible expense for an education loan?

(A) Purchase of a personal vehicle for commuting to the college/school.

(B) Examination, Library, and Laboratory fees.

(C) Caution deposit, building fund, or refundable deposit supported by Institution bills/receipts.

(D) Travel expenses/passage money for studies abroad.

Oct/Nov 2006

43. Which of the following is NOT a feature of the Interest Subsidy Scheme of 2017 for rural housing?

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is currently utilized for seasonal subsistence farming.

Oct/Nov 2024

15. How does the Interest Subsidy Scheme of 2017 for rural housing route its financial benefits to the borrowers?
(A) The Government provides an upfront 3% subsidy to the NHB, which passes it to Primary Lending Institutions.
(B) The Government directly transfers the subsidy to the borrower's bank account via DBT.
(C) The Reserve Bank of India deducts the subsidy amount from the CRR requirements of the financing banks.
(D) NABARD manages the central subsidy fund and reimburses the individual borrower on an annual basis.

May/June 2017

16. What regulatory incentive is provided to banks issuing long-term bonds for financing infrastructure and affordable housing?
(A) The bonds are fully guaranteed by the Central Government against default.
(B) Liabilities covered by these bonds are exempted from computation of NDTL for CRR/SLR maintenance purposes.
(C) The interest income earned on these specific bonds is entirely tax-free for the balance sheet of the issuing bank.
(D) The banks are permitted to charge a mandatory fixed premium on the interest rates offered for these bonds.

Oct/Nov 2005

17. Under what specific circumstances can the NCGTC increase the maximum credit guarantee cover beyond 75% for a Skill Loan?
(A) If the borrower belongs to a household officially classified as being Below Poverty Line (BPL).
(B) In special cases such as the North Eastern region and Left-Wing Extremism (LWE) affected areas.
(C) If the borrower is a female student pursuing a vocational degree in nursing or midwifery.
(D) If the borrower enrolls in a highly technical course certified by AICTE through its authorized regional centers.

May/June 2020

18. Under the education loan scheme, what is the maximum permitted extension of time for the completion of a course if a student is unable to complete it within the scheduled time?
(A) 6 months
(B) 1 year
(C) 2 years
(D) 3 years

Oct/Nov 2015

19. How does NABARD support the Swachh Bharat Mission-Gramin (SBM-G)?
(A) By directly constructing toilets in rural households using its own engineering agency.
(B) By providing a 100% upfront grant for toilet construction to the Gram Panchayats.
(C) By extending loans to the National Centre for Drinking Water, Sanitation and Quality towards part funding of the Central share.
(D) By waiving the interest rate on all rural housing loans that include a toilet construction component.

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May/June 2013

20. How are scholarships or fee waivers treated when computing the required quantum of an education loan?
(A) They are ignored entirely to ensure the student receives surplus funds for living expenses.
(B) They are added to the total sanctioned loan amount as a substitute for traditional collateral security.
(C) They automatically reduce the floating interest rate applied to the loan account throughout the tenure.
(D) They are included in the loan assessment, and the amount is credited to the loan account when received.

Oct/Nov 2021

21. Which statement correctly represents the cost-sharing ratio between the Central and State Governments for PMAY-G units?
(A) 50:50 in plain areas and 80:20 in North Eastern and Hilly states.
(B) 60:40 in plain areas and 90:10 in North Eastern and Hilly states.
(C) 70:30 in plain areas and 100:0 in North Eastern and Hilly states.

(D) 75:25 in plain areas and 85:15 in North Eastern and Hilly states.

May/June 2024

22. Which statement correctly describes the security documentation process when a minor avails an education loan?

(A) The minor signs the loan document independently, and it becomes fully legally binding.

(B) The security documents are executed by the parent, and upon attaining majority, the bank obtains a letter of ratification from the student.

(C) The bank must wait until the minor attains majority before executing any loan documents.

(D) The minor is exempted from signing any documents, and the loan is issued entirely in the parent's name.

Oct/Nov 2008

23. Which statement correctly specifies the minimum unit size and unit assistance under PMAY-G for plain areas?

(A) Minimum size 20 Sq. mt.; Unit assistance ₹ 70,000

(B) Minimum size 25 Sq. mt.; Unit assistance ₹ 1,20,000

(C) Minimum size 30 Sq. mt.; Unit assistance ₹ 1,30,000

(D) Minimum size 35 Sq. mt.; Unit assistance ₹ 1,50,000

May/June 2006

24. Which statement correctly identifies an eligible course provider under the Skill Loan Scheme?

(A) Industrial Training Institutes (ITIs), Polytechnics, or training partners affiliated to National Skill Development Corporation (NSDC).

(B) Any unrecognised private coaching center offering short-term vocational courses.

(C) Only Central Government-owned universities offering full-time degree programs.

(D) Exclusively foreign universities offering distant learning skill modules.

Oct/Nov 2017

25. Which statement correctly defines the priority sector limit for housing loans in metropolitan centres with a population of ten lakh and above?

(A) Loans up to ₹ 25 lakh for purchase/ construction of a dwelling unit costing up to ₹ 30 lakh.

(B) Loans up to ₹ 35 lakh for purchase/ construction of a dwelling unit costing up to ₹ 45 lakh.

(C) Loans up to ₹ 40 lakh for purchase/ construction of a dwelling unit costing up to ₹ 50 lakh.

(D) Loans up to ₹ 50 lakh for purchase/ construction of a dwelling unit costing up to ₹ 65 lakh.

May/June 2008

26. Which statement correctly describes the convergence features utilized under PMAY-G?

(A) Convergence includes electricity, piped water, rain water harvesting, and LPG gas connection under the UJJWAL scheme.

(B) Convergence is restricted exclusively to the provision of electricity connections and basic lighting fixtures.

(C) Convergence ensures that households receive mandatory agricultural credit loans along with their housing assistance.

(D) Convergence automatically provides a free motorized two-wheeler vehicle to every identified beneficiary household.

Oct/Nov 2013

27. Which statement correctly describes the Pradhan Mantri Vidya Lakshmi Karyakram (PMVLK)?

(A) It is an offline government office network processing physical loan applications.

(B) It is a direct benefit transfer scheme offering free foreign education.

(C) It is an RBI regulatory portal for tracking bank NPAs in the education sector.

(D) It is a single window IT-based platform for students seeking educational loans or scholarships.

May/June 2015

28. Which statement correctly outlines the tax benefits provided under Section 80E of the Income Tax Act?

(A) Deductions are allowed on the principal

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amount repaid for a maximum period of 15 years.
(B) Deductions are allowed on the interest paid on education loans taken for higher studies for a maximum period of 8 years.
(C) A flat 10% tax rebate is given on the total loan amount sanctioned.
(D) Deductions are applicable exclusively for education loans taken for studying abroad.

Oct/Nov 2012

29. Which statement correctly details the assistance for toilet construction under the PMAY-G scheme?
(A) Beneficiaries receive ₹ 10,000 directly from the State Government's discretionary fund.
(B) Beneficiaries are eligible to receive an assistance of ₹ 12,000 from Swatch Bharat Mission, MGREGS, or other dedicated financing sources.
(C) Beneficiaries must fund the toilet construction entirely from their own savings.
(D) Toilet construction is funded through a mandatory deduction from the ₹ 1,20,000 unit assistance.

May/June 2011

30. Which statement correctly specifies the repayment tenure for a Skill Loan of ₹ 75,000?
(A) The tenure is up to 3 years.
(B) The tenure is up to 5 years.
(C) The tenure is up to 7 years.
(D) The tenure is up to 10 years.

Oct/Nov 2020

31. Which statement regarding the history of rural housing schemes is INCORRECT?
(A) The Village Housing Program (VHP) was introduced in 1957 as part of the Community Development Movement.
(B) Indira Awas Yojana (IAY) was initially launched as an independent scheme in June 1985.
(C) IAY was made an independent scheme with effect from 1st January 1996.
(D) PMAY-G replaced the structured scheme of IAY with effect from 1st April 2016.

May/June 2022

32. Which statement regarding the exclusion criteria for PMAY-G is INCORRECT?
(A) Households owning a motorized two-wheeler are excluded.
(B) Households possessing a Kisan Credit Card with a credit limit of ₹ 40,000 are automatically excluded.
(C) Households with any member as a government employee are excluded.
(D) Households owning a refrigerator are excluded.

Oct/Nov 2023

33. Which statement regarding eligible courses for an education loan is INCORRECT?
(A) Courses conducted by IIMs, IITs, and NIFT in India are eligible.
(B) Only postgraduate courses are eligible for funding if pursued abroad; undergraduate courses are strictly excluded.
(C) Regular degree/diploma courses like pilot training approved by the Director General of Civil Aviation are eligible.
(D) Job-oriented professional/technical graduation courses offered by reputed universities abroad are eligible.

May/June 2016

34. Which statement about the Skill Loan Scheme is INCORRECT?
(A) Banks mandate a collateral security of at least 50% of the loan amount to mitigate default risk.
(B) The maximum financial assistance provided is ₹ 1,50,000.
(C) The margin for the loan shall not exceed 10% of the total course expenditure.
(D) There is no specific restriction with regard to the age of the student.

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Oct/Nov 2009

35. Which statement concerning the issuance of long-term bonds for affordable housing is INCORRECT?
(A) Banks can issue these bonds with a minimum maturity period of seven years.
(B) Any incremental infrastructure and affordable housing loans acquired from other banks require prior RBI approval to be reckoned for regulatory incentives.
(C) There is a strict regulatory restriction on the absolute quantum of such bonds that can be issued by a bank.
(D) The bonds may be issued with a fixed or

May/June 2018

6. In which year was the Jawahar Rozgar Yojana (JRY) launched?
(A) 1980
(B) 1983
(C) 1985
(D) 1989

Oct/Nov 2016

7. What is the unit assistance provided under PMAY-G for constructing a house in plain areas?
(A) ₹ 70,000
(B) ₹ 1,20,000
(C) ₹ 1,30,000
(D) ₹ 1,50,000

May/June 2014

8. What is the maximum nominal guarantee fee charged by the National Credit Guarantee Trust Company Ltd (NCGTC) for the Skill Loan Scheme?
(A) 0.5% of the amount outstanding
(B) 1.0% of the initial sanctioned amount
(C) 1.5% of the amount outstanding
(D) 2.0% of the initial sanctioned amount

Oct/Nov 2007

9. Up to what amount are loans to individuals for educational purposes considered eligible for priority sector classification, irrespective of the sanctioned amount?
(A) ₹ 10 lakhs
(B) ₹ 15 lakhs
(C) ₹ 20 lakhs
(D) ₹ 25 lakhs

May/June 2025

10. In which year was the Village Housing Program (VHP) introduced, and what was the maximum loan provided per unit?
(A) 1950, ₹ 2,500
(B) 1957, ₹ 5,000
(C) 1965, ₹ 10,000
(D) 1972, ₹ 15,000

Oct/Nov 2019

11. How is the moratorium period determined for a Skill Loan if the course duration exceeds one year?
(A) Repayment starts immediately upon completion of the course without any moratorium.
(B) The moratorium period may extend up to 6 months from the date of completion of the course.
(C) The moratorium period may extend up to 12 months from the date of completion of the course.
(D) The moratorium period extends to 24 months from the date of completion of the course or employment, whichever is earlier.

May/June 2009

12. What is the role of the Gram Sabha in the identification of beneficiaries under PMAY-G?
(A) It independently surveys the village jurisdiction and drafts a new list of all houseless individuals.
(B) It identifies beneficiaries from the SECC 2011 list based on housing deficiency and social deprivation.
(C) It provides final financial clearance and authorization for the release of DBT payments to the selected individuals.
(D) It acts as a primary legal guarantor for the institutional loans availed by the selected project beneficiaries.

Oct/Nov 2011

13. How does eligibility for Credit Guarantee coverage affect the margin requirement for an education loan?
(A) The margin requirement is fixed at 5% irrespective of the loan amount if the guarantee is available.
(B) The margin requirement becomes 15% for both domestic and international studies.
(C) The margin will be 'Nil' for loans up to ₹ 7.5 lakhs if eligible for the guarantee coverage.
(D) The margin requirement is entirely waived for any loan amount up to ₹ 20 lakhs.

May/June 2010

14. Which of the following irrigated land ownership conditions automatically excludes a household from PMAY-G?
(A) Owning 1.5 acres of irrigated land with no irrigation equipment.
(B) Owning 2.0 acres of irrigated land used exclusively for growing a single crop during the main season.
(C) Owning 2.5 acres or more of irrigated land with at least one item of irrigation equipment.
(D) Owning 3.0 acres of un-irrigated land that

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(A) It provides an interest subsidy of 3%.
(B) The scheme is implemented by the National Housing Bank (NHB).
(C) The interest subsidy is provided for loans availed up to ₹ 2 lakhs.
(D) The subsidy is calculated on a compounding basis and paid at the end of the loan tenure.

May/June 2021

44. Which of the following is NOT explicitly mentioned as an eligible course for study abroad under the education loan scheme?
(A) Job oriented professional/technical graduation courses offered by reputed universities.
(B) Undergraduate distance-learning arts degrees from unrecognized institutions.
(C) Courses conducted by CIMA - London.
(D) Post-graduation in MCA, MBA, MS.

Oct/Nov 2010

45. Which of the following households is NOT automatically included under the PMAY-G scheme?
(A) Households without shelter.
(B) Primitive tribal groups.
(C) Households owning a pucca house with a structurally damaged roof requiring minor repairs.
(D) Legally released bonded labourers.

May/June 2005

46. Which of the following is NOT a condition related to the issuance of long-term bonds for infrastructure and affordable housing?
(A) The bonds must have a minimum maturity period of seven years.
(B) The liabilities covered are exempted from CRR/SLR computation.
(C) There is no restriction on the quantum of such bonds to be issued by banks.
(D) The bonds must strictly carry a fixed rate of interest; floating rates are prohibited.

Oct/Nov 2022

47. Which of the following is NOT true regarding the NCGTC guarantee for the Skill Loan Scheme?
(A) Banks do not have the option to recover the guarantee fee from the borrower; it must be borne entirely by the government.
(B) The guarantee fee shall not exceed 0.5% of the amount outstanding.
(C) The maximum credit guarantee cover is generally 75% of the outstanding loan amount.
(D) The percentage of guarantee cover may be increased in Left-Wing Extremism (LWE) affected areas.

May/June 2018

48. Which of the following is NOT an objective or feature of the Pradhan Mantri Vidya Lakshmi Karyakram (PMVLK)?
(A) It provides a single window platform for students seeking educational loans or scholarships.
(B) It acts as a primary lending institution that directly disburses funds to the student's account bypassing banks.
(C) It allows students to make applications for studying within India and abroad.
(D) It enables students to track their application status online.

Oct/Nov 2016

49. Which of the following land ownership parameters is NOT a criteria for exclusion from PMAY-G?
(A) Owning 2.5 acres or more of irrigated land with at least one irrigation equipment.
(B) Owning 5 acres or more of irrigated land for two or more crop seasons.
(C) Owning 7.5 acres of land or more with at least one irrigation equipment.
(D) Owning 1.0 acre of un-irrigated barren land with no equipment.

May/June 2014

50. Which of the following is NOT true regarding the repayment terms of an education loan?
(A) A heavy prepayment penalty is levied if the loan is foreclosed before the completion of 5 years.
(B) The repayment period can be up to 15 years for all categories.
(C) Banks may encourage borrowers to set up start-up units by giving a moratorium on principal and interest during the incubation period.
(D) Telescoping of repayment with stepped-up installments may be considered.

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Oct/Nov 2007

51. What was the primary reason for restructuring the Indira Awas Yojana (IAY) into PMAY-G in 2016?

(A) To shift the entire financial and administrative burden of rural housing projects to the respective State Governments.

(B) To address gaps revealed by a 2014 CAG audit, such as non-assessment of housing shortage, lack of transparency, and low quality of houses.

(C) To address gaps revealed by a 2014 CAG audit, such as non-assessment of shortage, lack of transparency, and low quality.

(D) To significantly reduce the unit assistance amount and cover a smaller, more targeted demographic within rural areas.

May/June 2025

52. Which statement best describes the concept of "telescoping of repayment" as permitted in education loans?

(A) Extending the total loan repayment tenure from 15 years to 25 years to significantly reduce the monthly EMI burden.

(B) Commencing repayment with lower installments initially and stepping them up with the passage of time as the borrower's income increases.

(C) Deducting the interest component directly from the borrower's provident fund account over the entire loan lifecycle.

(D) Commencing repayment with lower installments initially and stepping them up as the borrower's income increases over time.

Oct/Nov 2019

53. What is the most appropriate rationale for exempting liabilities covered by long-term bonds for affordable housing from CRR/SLR maintenance?

(A) To strictly control inflationary pressures by significantly reducing the overall money supply in the national economy.

(B) To shift the regulatory oversight of affordable housing entirely from RBI to NHB.

(C) To help banks raise long-term resources and provide cheaper credit for making housing affordable to EWS, LIG, and MIG segments.

(D) To penalize banks that do not participate in priority sector lending by lowering their liquidity buffers.

May/June 2009

54. What is the most appropriate reason why the Skill Loan Scheme explicitly states there is no specific restriction regarding the age of the student?

(A) Because vocational skill development is exclusively required for individuals who are currently above the age of 40.

(B) India's shortage of skilled workers necessitates scaling up efforts across large sections of the workforce, irrespective of age.

(C) Because international labour laws mandate age-agnostic lending for vocational training.

(D) Because the scheme is designed primarily for retired government employees who are seeking second vocational careers.

Oct/Nov 2011

55. What is the best procedural approach for a bank when an education loan applicant is a minor at the time of availing the loan?

(A) Decline the loan application entirely until the student applicant officially reaches the legal age of majority.

(B) Issue the loan as a standard personal loan to the parent without linking it to the student's specific educational record.

(C) Require a guarantee from a local judicial magistrate to enforce the contract against the minor.

(D) Parents execute security documents, and the student provides a letter of ratification upon attaining the age of majority.

May/June 2010

56. What is the primary role of the National Technical Support Agency (NTSA) in the PMAY-G program?

(A) To provide technical support in achieving project targets and offer assistance to beneficiaries in house construction.

(B) To audit the financial transactions made through the AwasSoft MIS.

(C) To disburse the unit assistance funds directly into the bank accounts of the beneficiaries through an automated portal.

(D) To act as the nodal agency for recovering defaulted housing loans.

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Oct/Nov 2024

57. What is the primary purpose of NABARD conducting Sanitation Literacy Programs related to the WASH sector?
(A) To market commercial water purifiers and filtration systems directly to low-income rural households and communities.
(B) To recruit rural youth into government engineering departments.
(C) To create awareness on clean water and hygiene to sustain attitudinal changes for adopting safe sanitation practices.
(D) To collect demographic data for the SECC census.

May/June 2017

58. What is the best rationale for banks advising the borrower to arrange for a life insurance policy for the student availing an education loan?
(A) To secure the loan against the student's demise, ensuring the debt does not burden the co-borrowing parent or guardian.
(B) To fulfill a mandatory statutory requirement imposed by the Income Tax Act for claiming specific Section 80E benefits.
(C) To cross-sell insurance products and boost the bank's non-interest income.
(D) To guarantee the student an employment opportunity post-graduation.

Oct/Nov 2005

59. Why is the tax benefit under Section 80E extended to cover a student for whom the taxpayer is the legal guardian?
(A) To strictly limit the number of tax deductions that can be claimed by biological parents for their offspring's education.
(B) Because legal guardians are legally prohibited from being joint borrowers under banking guidelines.
(C) Because the Income Tax Act does not recognize biological parentage for educational deductions.
(D) To ensure that individuals supporting the education of dependents, beyond biological children, are incentivized with financial relief.

May/June 2020

60. Arrange the following rural housing initiatives in the chronological order of their introduction:
I Indira Awas Yojana (IAY) as an independent scheme
II Village Housing Program (VHP)
III Pradhan Mantri Awas Yojana - Gramin (PMAY-G)
IV Indira Awas Yojana (IAY) as a sub-scheme of RLEGP
(A) (II), (IV), (I), (III)
(B) (IV), (II), (III), (I)
(C) (II), (I), (IV), (III)
(D) (I), (II), (IV), (III)

Oct/Nov 2015

61. Arrange the following schemes or events in the chronological order of their launch or establishment:
I Pradhan Mantri Vidya Lakshmi Karyakram (PMVLK)
II Replacement of earlier vocational loan scheme with the new Skill Loan Scheme
III Setting up of National Credit Guarantee Trust Company Ltd (NCGTC) under the Companies Act
(A) (III), (II), (I)
(B) (I), (II), (III)
(C) (II), (I), (III)
(D) (III), (I), (II)

May/June 2013

62. Match the items in List I with the correct descriptions or values in List II:
List I: PMAY-G Parameters
P. Plain area unit assistance
Q. Hilly area unit assistance
R. Toilet construction assistance
S. Institutional loan facilitated up to
List II: Values
1. ₹ 70,000
2. ₹ 1,20,000
3. ₹ 12,000
4. ₹ 1,30,000
(A) P-2, Q-4, R-3, S-1
(B) P-1, Q-3, R-2, S-4
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2021

63. Match the items in List I with the correct limits in List II:
List I: Priority Sector classification criteria for housing loans
P. Max loan for dwelling in metropolitan centre (> 10 lakh pop)

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Oct/Nov 2023

75. Which of the following pairs of 'Skill Loan Amount' and 'Repayment Tenure' is INCORRECTLY matched?
(A) Up to ₹ 50,000 — Up to 3 years
(B) Between ₹ 50,000 and ₹ 1 lakh — Up to 5 years
(C) Above ₹ 1 lakh — Up to 10 years
(D) Maximum loan amount ₹ 1,50,000 — Up to 7 years

May/June 2016

76. Consider the following statements regarding PMAY-G funding:
I The unit cost is shared between Central and State Governments in a 60:40 ratio in plain areas.
II Beneficiaries are facilitated to avail loans up to ₹ 1,20,000 from financial institutions.
Which of the statements given above is/are correct?
(A) (I) only
(B) (II) only
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2009

77. Consider the following statements regarding the education loan moratorium:
I The standard moratorium is the course period plus 1 year.
II Banks cannot grant any further moratorium beyond this period under any circumstances.
Which of the statements given above is/are correct?
(A) (I) only
(B) (II) only
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2023

78. Consider the following statements regarding affordable housing bonds:
I Liabilities covered by these bonds are subjected to CRR/SLR maintenance requirements.
II The bonds can be issued with either fixed or floating rates of interest.
Which of the statements given above is/are correct?
(A) (I) only
(B) (II) only
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2018

79. Consider the following statements regarding Section 80E of the Income Tax Act:
I Deductions are allowed on the interest portion of the education loan.
II The maximum period for claiming this deduction is 15 years.
Which of the statements given above is/are correct?
(A) (I) only
(B) (II) only
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2007

80. Consider the following statements regarding the Skill Loan Scheme:
I A collateral security of 10% must be obtained for all loans.
II The NCGTC provides credit guarantee cover for a maximum of 75% of the outstanding loan amount.
Which of the statements given above is/are correct?
(A) (I) only
(B) (II) only
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2025

81. Consider the following statements regarding the evolution of rural housing schemes:
I VHP was introduced in 1957 providing loans up to ₹ 5,000.
II IAY was initially launched as a sub-scheme of RLEGP for SCs/STs and freed bonded labourers.
III IAY remained a sub-scheme and was never made independent until the launch of PMAY-G.
Which of the above statement(s) is/are correct?
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

NODIA

May/June 2012

82. Consider the following statements regarding the Skill Loan scheme's moratorium:

2. 2.5 acres or more
3. ₹ 50,000 or above
4. 5 acres or more

(A) P-4, Q-3, R-2, S-1
(B) P-1, Q-2, R-4, S-3
(C) P-3, Q-1, R-2, S-4
(D) P-2, Q-4, R-1, S-3

Oct/Nov 2013

69. Match the items in List I with the correct definitions in List II:

List I: Terms
P. BPL
Q. EMI
R. PMVLK
S. AwasSoft

List II: Definitions
1. IT-based Student Financial Aid Authority portal.
2. A fixed payment amount made by a borrower to a lender at a specified date.
3. MIS where beneficiary bank/post office accounts are registered.
4. A benchmark indicating economic disadvantage.

(A) P-4, Q-2, R-1, S-3
(B) P-1, Q-3, R-4, S-2
(C) P-2, Q-4, R-3, S-1
(D) P-3, Q-1, R-2, S-4

May/June 2015

70. Match the items in List I with the correct limits in List II:

List I: Loan Limits
P. Priority sector limit for education loan
Q. Maximum limit for Skill Loan
R. IBA model limit for education in India
S. IBA model limit for education abroad

List II: Financial Assistance Amount
1. ₹ 10 lakhs
2. ₹ 20 lakhs
3. ₹ 1,50,000
4. ₹ 20 lakhs (irrespective of sanctioned amount)

(A) P-4, Q-3, R-1, S-2
(B) P-3, Q-4, R-2, S-1
(C) P-1, Q-2, R-4, S-3
(D) P-2, Q-1, R-3, S-4

Oct/Nov 2012

71. Match the items in List I with the correct expansions in List II:

List I: Acronyms
P. NREP
Q. RLEGP
R. JRY
S. VHP

List II: Expansion
1. Village Housing Program
2. National Rural Employment Program
3. Jawahar Rozgar Yojana
4. Rural Landless Employment Guarantee Program

(A) P-2, Q-4, R-3, S-1
(B) P-4, Q-2, R-1, S-3
(C) P-1, Q-3, R-4, S-2
(D) P-3, Q-1, R-2, S-4

May/June 2011

72. Which of the following pairs of 'Scheme' and its 'Implementing or Associated Nodal Agency' is CORRECTLY matched?

(A) 2017 Rural Housing Interest Subsidy Scheme — National Housing Bank (NHB)
(B) PMAY-G — Reserve Bank of India
(C) PMVLK — NABARD
(D) SBM-G — NCGTC

Oct/Nov 2020

73. Which of the following pairs of 'Priority Sector Category' and its 'Limit' is CORRECTLY matched?

(A) Housing loan in other centres provided to individuals for construction — ₹ 35 lakhs
(B) Housing repair loan in metropolitan centres for damaged units — ₹ 6 lakhs
(C) Housing loan to HFCs for on-lending up to ₹ 20 lakhs per individual borrower.
(D) Education loan — Up to ₹ 35 lakhs

May/June 2022

74. Which of the following pairs of 'Education Course Type' and its 'Eligible Geography' is INCORRECTLY matched?

(A) Courses conducted by CIMA, London — India
(B) Degree courses like aeronautical/pilot training — India
(C) CPA conducted by USA — Abroad
(D) Post-graduation MCA, MBA — Abroad

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(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2017

100. Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason (R). Choose the correct option to describe the relationship between them.
Assertion (A): A student who is a minor can avail of an education loan.
Reason (R): The security documents are executed directly by the minor, making the contract legally enforceable against them without parental involvement.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2005

101. Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason (R). Choose the correct option to describe the relationship between them.
Assertion (A): PMVLK was launched as a tax-saving instrument under Section 80E.
Reason (R): PMVLK is an IT-based single window portal to administer and monitor Scholarship as well as Educational Loan Schemes.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2020

102. Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason (R). Choose the correct option to describe the relationship between them.
Assertion (A): Under Section 80E of the Income Tax Act, deductions are allowed on both the principal and interest components of an education loan.
Reason (R): The deduction is available for a maximum period of 8 years.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2015

103. Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason (R). Choose the correct option to describe the relationship between them.
Assertion (A): Beneficiaries under PMAY-G who desire to avail an institutional loan up to ₹ 70,000 can do so under the Differential Rate of Interest (DRI) scheme.
Reason (R): The DRI scheme extends financial assistance at a concessional rate of interest of 4% to selected low-income groups.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2013

104. Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason (R). Choose the correct option to describe the relationship between them.
Assertion (A): NCGTC may increase the maximum credit guarantee cover beyond 75% for Skill Loans in Left-Wing Extremism (LWE) affected areas.
Reason (R): The maximum nominal guarantee fee charged by NCGTC is 1.5% of the amount outstanding.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

NODIA

I Repayment starts after a moratorium period of up to 6 months if the course duration is up to one year.
II Repayment starts immediately without a moratorium if the course duration exceeds one year.
III If the course duration is more than one year, the moratorium period may extend 12 months from completion.

Which of the above statement(s) is/are correct?
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

Oct/Nov 2014

83. Consider the following statements regarding the margin and security requirements of an education loan:
I Margin for studies in India for loans above ₹ 4 lakhs is 5%.
II Tangible collateral is mandated for all education loans irrespective of the amount.
III The joint borrower can be the spouse or parent-in-law in the case of a married person.

Which of the above statement(s) is/are correct?
(A) (I) and (II) only
(B) (I) and (III) only
(C) (II) and (III) only
(D) (I), (II), and (III)

May/June 2019

84. Consider the following conditions for classifying a housing loan as Priority Sector:
I Loan up to ₹ 35 lakh in metros for a house costing up to ₹ 45 lakh.
II Loan up to ₹ 25 lakh in other centres for a house costing up to ₹ 30 lakh.
III Loan to governmental agencies for slum clearance subject to unit carpet area not exceeding 100 sq.m.

Which of the above statement(s) is/are correct?
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

Oct/Nov 2006

85. Consider the following statements regarding NABARD's involvement in rural infrastructure:
I NABARD extends loans to the National Centre for Drinking Water, Sanitation and Quality under SBM-G.
II NABARD conducts Sanitation Literacy Programs to promote WASH practices.
III NABARD acts as the nodal agency directly allocating funds under the PMVLK portal.

Which of the above statement(s) is/are correct?
(A) (I) and (II) only
(B) (I) and (III) only
(C) (II) and (III) only
(D) (I), (II), and (III)

May/June 2021

86. Consider the following about PMAY-G beneficiary selection and support:
I Beneficiaries are identified using SECC-2011 data.
II The identification and selection are done by the Gram Sabha.
III Beneficiaries are offered technical assistance in the construction of the house.
IV Payments are made via cash handovers by the Gram Panchayat.

Which of the above statement(s) is/are correct?
(A) (I), (II), and (III) only
(B) (II), (III), and (IV) only
(C) (I), (III), and (IV) only
(D) (I), (II), and (III), and (IV)

Oct/Nov 2010

87. Consider the following expenses for an education loan:
I Examination/Library/Laboratory fee.
II Travel expenses for studies abroad.
III Purchase of a computer at a reasonable cost if required.
IV Purchase of a vehicle for daily college commute.

Which combination of expenses is eligible for consideration under the loan?
(A) (I), (II), and (IV) only
(B) (I), (III), and (IV) only
(C) (II), (III), and (IV) only
(D) (I), (II), and (III) only

May/June 2005

88. Consider the following features of the NCGTC guarantee for the Skill Loan Scheme:
I Nominal guarantee fee not exceeding 0.5% of the amount outstanding.
II Credit guarantee cover maximum of 75% of the outstanding loan.

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May/June 2015

112. Under the IBA model education loan scheme parameters, what is the prescribed maximum limit for the quantum of finance generally considered for studies abroad, though banks can fix higher limits?
(A) ₹ 10 lakhs
(B) ₹ 15 lakhs
(C) ₹ 20 lakhs
(D) ₹ 25 lakhs

Oct/Nov 2012

113. Priya is 22 years old and unmarried. According to the scheme's security requirements, who should execute the loan documents as a joint-borrower?
(A) Her university admission counsellor.
(B) Her parent or guardian.
(C) Any sibling who is employed.
(D) She can execute it solely without a joint-borrower since she is a major.

May/June 2011

114. XYZ Bank plans to issue long-term bonds to raise resources for lending to affordable housing projects. To qualify for regulatory incentives like CRR/SLR exemptions, what must be the minimum maturity period of these bonds?
(A) 3 years
(B) 5 years
(C) 7 years
(D) 10 years

Oct/Nov 2020

115. Apart from affordable housing, for what other specific sub-sector can XYZ Bank lend the resources raised through these long-term bonds while maintaining the regulatory exemptions?
(A) Short-term consumer loans
(B) Unsecured personal loans
(C) Long-term projects in infrastructure sub-sectors
(D) Speculative capital market investments

May/June 2022

116. If XYZ Bank acquires incremental affordable housing loans from other banks to be reckoned for these regulatory incentives, what regulatory step must it take?
(A) It must obtain a guarantee from NCGTC.
(B) It must notify the National Housing Bank within 30 days.
(C) It must increase its capital adequacy ratio by 1%.
(D) It must require prior approval of the RBI.

Oct/Nov 2023

117. XYZ Bank is evaluating an affordable housing project for financing. According to the March 2017 notification, the project must use at least 50% of FSI for dwelling units not exceeding a specific carpet area. What is this maximum carpet area?
(A) 40 sq m
(B) 50 sq m
(C) 60 sq m
(D) 75 sq m

May/June 2016

118. Amit enrolls in a 1.5-year polytechnic course run by an ITI and requires a loan of ₹ 80,000 under the Skill Loan Scheme. What is the maximum tenure the bank can grant him to repay this loan?
(A) Up to 3 years
(B) Up to 5 years
(C) Up to 7 years
(D) Up to 10 years

NODIA

Oct/Nov 2009

119. Since Amit's course duration is 1.5 years (more than one year), what is the maximum moratorium period applicable from the date of completion of his course before his repayment starts?
(A) 3 months
(B) 6 months
(C) 12 months
(D) 24 months

May/June 2023

120. Amit's total course expenditure is assessed at ₹ 80,000. Under the Skill Loan Scheme guidelines, what is the maximum margin the bank can stipulate?
(A) 0% (No margin permitted)
(B) 5%
(C) 10%
(D) 15%

Oct/Nov 2018

121. Will the bank require Amit to provide collateral security for his ₹ 80,000 Skill Loan?
(A) Yes, tangible security covering 50% of the loan amount is mandatory.
(B) Yes, a third-party guarantee is required

V Affordable housing projects: At least 50% FAR/FSI for units with carpet area not more than 60 sq.m.

Which combination of statements is correct?

(A) (I), (II), (III), and (IV) only
(B) (II), (III), (IV), and (V) only
(C) (I), (III), (IV), and (V) only
(D) (I), (II), (III), (IV), and (V)

Oct/Nov 2019

95. Consider the following statements about various government initiatives:

I DRI scheme provides financial assistance at a concessional rate of 4%.
II PMVLK aims to be a single window platform for education loans.
III Section 80E deduction covers a maximum period of 8 years.
IV SBM-G is aimed at achieving universal sanitation coverage.
V NTSA is formed to supervise the NCGTC guarantee trust funds.

Which combination of statements is correct?

(A) (I), (II), (III), and (IV) only
(B) (I), (II), (IV), and (V) only
(C) (II), (III), (IV), and (V) only
(D) (I), (II), (III), (IV), and (V)

May/June 2009

96. Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason (R). Choose the correct option to describe the relationship between them.

Assertion (A): The minimum size of a house under PMAY-G was increased from 20 Sq. mt. to 25 Sq. mt.

Reason (R): The increase in size was mandated to include a hygienic cooking place.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2011

97. Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason (R). Choose the correct option to describe the relationship between them.

Assertion (A): Liabilities covered by long-term bonds issued by banks for affordable housing are exempted from CRR/SLR computation.

Reason (R): Government has stressed the importance of long-term cheap credit availability to make housing affordable for EWS, LIG, and MIG segments.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2010

98. Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason (R). Choose the correct option to describe the relationship between them.

Assertion (A): Banks may consider telescoping of repayment with stepped up installments for education loans.

Reason (R): The salary levels at the start of a professional's career may not facilitate comfortable payment of regular EMI.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2024

99. Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason (R). Choose the correct option to describe the relationship between them.

Assertion (A): The Skill Loan Scheme has a strict maximum age limit of 30 years for applicants.

Reason (R): Large sections of the educated workforce in India have little or no job skills, making them largely unemployable.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

NODIA

III Banks have the option to recover or not recover the fees payable for the guarantee cover.
IV The percentage of cover may be increased in North Eastern (NE) and Left-Wing Extremism (LWE) affected areas.

Which combination of statements is correct?
(A) (I), (II), and (III) only
(B) (I), (III), and (IV) only
(C) (II), (III), and (IV) only
(D) (I), (II), (III), and (IV)

Oct/Nov 2022

89. Consider the following statements regarding the issuance of long-term bonds for financing infrastructure and affordable housing:
I Minimum maturity period of seven years.
II Liabilities covered by these bonds are exempted from computation of NDTL.
III Incremental loans acquired from other banks require prior RBI approval to be reckoned for incentives.
IV The exemption is subject to a ceiling of the eligible credit as specified by the regulator.

Which combination of statements is correct?
(A) (I), (II), and (III) only
(B) (I), (III), and (IV) only
(C) (II), (III), and (IV) only
(D) (I), (II), (III), and (IV)

May/June 2018

90. Consider the following exclusion criteria for PMAY-G:
I Owning a motorized two-wheeler.
II Kisan Credit Card limit of ₹ 60,000.
III Family earning ₹ 12,000 per month.
IV Owning 1.5 acres of irrigated land with no irrigation equipment.

Which combination identifies households that will be excluded?
(A) (I), (II), and (IV) only
(B) (I), (III), and (IV) only
(C) (I), (II), and (III) only
(D) (II), (III), and (IV) only

Oct/Nov 2016

91. Consider the following statements regarding PMAY-G comprehensive features:
I Minimum unit size is 25 Sq. mt.
II Unit assistance is ₹ 1,30,000 in hilly states.
III Toilets are provisioned at ₹ 12,000.
IV Beneficiary must complete construction within 12 months from sanction letter.
V Beneficiaries cannot avail of the DRI scheme for their loans.

Which combination of statements is correct?
(A) (I), (II), (III), and (IV) only
(B) (I), (III), IV, and (V) only
(C) (II), (III), (IV), and (V) only
(D) (I), (II), (III), (IV), and (V)

May/June 2014

92. Consider the following statements about education loans:
I IBA model scheme maximum limit is ₹ 10 lakhs for India and ₹ 20 lakhs for abroad.
II Up to ₹ 4 lakhs, margin requirement is Nil.
III Priority sector classification limit is ₹ 20 lakhs irrespective of sanctioned amount.
IV Repayment period is up to 15 years for all categories.
V Prepayment penalty of 2% is levied for closing the loan early.

Which combination of statements is correct?
(A) (I), (II), (III), and (V) only
(B) (I), (II), (III), and (IV) only
(C) (II), (III), (IV), and (V) only
(D) (I), (III), (IV), and (V) only

Oct/Nov 2007

93. Consider the following statements regarding the Skill Loan Scheme:
I Maximum assistance is ₹ 1,50,000.
II Margin shall not exceed 10% of total course expenditure.
III No collateral security shall be obtained.
IV Guarantee fee is capped at 0.5% of the amount outstanding.
V Prepayment charges are strictly recovered.

Which combination of statements is correct?
(A) (I), (II), (III), and (IV) only
(B) (I), (II), (IV), and (V) only
(C) (II), (III), (IV), and (V) only
(D) (I), (II), (III), (IV), and (V)

May/June 2025

94. Consider the following guidelines for Priority Sector Housing Loans:
I Metros (> 10 lakh pop): Loan up to ₹ 35 lakh for house cost up to ₹ 45 lakh.
II Other centres: Loan up to ₹ 25 lakh for house cost up to ₹ 30 lakh.
III Repairs in metros: Loan up to ₹ 10 lakh.
IV Repairs in other centres: Loan up to ₹ 6 lakh.

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Oct/Nov 2021

105. Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason (R). Choose the correct option to describe the relationship between them.
Assertion (A): Bank loans to Housing Finance Companies (HFCs) for on-lending up to ₹ 20 lakh for individual borrowers are classified under priority sector.
Reason (R): The HFCs must be approved by the National Housing Bank (NHB) for their refinance to qualify for this classification.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2024

106. Ramesh lives in a plain area and wishes to construct a house under PMAY-G. He owns a Kisan Credit Card (KCC) with a limit of ₹ 45,000 and his family earns ₹ 9,000 per month. No family member is a government employee. Based on the exclusion criteria, is Ramesh eligible?
(A) Yes, he is eligible as his KCC limit is below ₹ 50,000 and his family income is below ₹ 10,000.
(B) No, he is excluded because his KCC limit exceeds the specific threshold of ₹ 40,000 set by the state.
(C) No, he is excluded because his total monthly family income exceeds the allowable cap of ₹ 8,000 per month.
(D) Yes, he is eligible because any rural citizen is automatically eligible regardless of income or KCC limit.

Oct/Nov 2008

107. Ramesh's application is approved under PMAY-G. What is the unit assistance amount he will receive for constructing the house in his plain area?
(A) ₹ 70,000
(B) ₹ 1,20,000
(C) ₹ 1,30,000
(D) ₹ 1,50,000

May/June 2006

108. Ramesh wishes to add better fixtures to his house and requires additional funds. What is the maximum institutional loan amount he can be facilitated to avail under the PMAY-G framework?
(A) ₹ 50,000
(B) ₹ 70,000
(C) ₹ 1,00,000
(D) ₹ 1,20,000

Oct/Nov 2017

109. Ramesh receives his sanction letter on 1st January. By when is he stipulated to complete the construction of the house under PMAY-G?
(A) Within 6 months from the date of the sanction letter.
(B) Within 12 months from the date of the sanction letter.
(C) Within 18 months from the date of the sanction letter.
(D) Within 24 months from the date of the sanction letter.

May/June 2008

110. Priya has secured admission for an MBA in the USA. The total expenses assessed by the bank are ₹ 25 lakhs. She applies for a loan. If no Credit Guarantee coverage is applicable, what is the standard margin requirement for her loan?
(A) Nil
(B) 5%
(C) 10%
(D) 15%

Oct/Nov 2013

111. Priya has also secured a scholarship of ₹ 2 lakhs from the university. According to the education loan guidelines, how should the bank treat this scholarship?
(A) The scholarship is factored into the loan assessment and credited to the loan account upon receipt.
(B) The bank should disburse the full loan amount directly into her savings account without factoring in the external scholarship.
(C) The receipt of any external scholarship automatically disqualifies her from receiving any institutional education loan.
(D) The scholarship is treated as the borrower's margin contribution of 15%.

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Q. Max overall cost of dwelling in metropolitan centre
R. Max loan for dwelling in other centres
S. Max overall cost of dwelling in other centres

List II: Applicable limits
1. ₹ 30 lakh
2. ₹ 25 lakh
3. ₹ 45 lakh
4. ₹ 35 lakh

(A) P-4, Q-3, R-2, S-1
(B) P-3, Q-4, R-1, S-2
(C) P-2, Q-1, R-4, S-3
(D) P-1, Q-2, R-3, S-4

May/June 2024

64. Match the items in List I with the correct tenures or amounts in List II:

List I: Skill Loan Categories
P. Loans up to ₹ 50,000
Q. Loans between ₹ 50,000 and ₹ 1 lakh
R. Loans above ₹ 1 lakh
S. Maximum financial assistance provided under the scheme

List II: Repayment Tenure / Limit
1. Up to 7 years
2. Up to 3 years
3. Up to 5 years
4. ₹ 1,50,000

(A) P-3, Q-2, R-4, S-1
(B) P-2, Q-3, R-1, S-4
(C) P-1, Q-4, R-3, S-2
(D) P-4, Q-1, R-2, S-3

Oct/Nov 2008

65. Match the items in List I with the correct margin requirements in List II:

List I: Education Loan Scenarios
P. Loan up to ₹ 4 lakhs
Q. Loan above ₹ 4 lakhs for studies in India
R. Loan above ₹ 4 lakhs for studies abroad
S. Loan eligible for Credit Guarantee coverage up to ₹ 7.5 lakhs

List II: Margin Requirement
1. 5%
2. Nil
3. 15%
4. Nil

(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-1, R-3, S-4
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-3, R-2, S-1

May/June 2006

66. Match the items in List I with the correct launch years in List II:

List I: Housing-related Programs
P. Village Housing Program (VHP)
Q. National Rural Employment Program (NREP)
R. Rural Landless Employment Guarantee Program (RLEGP)
S. Jawahar Rozgar Yojana (JRY)

List II: Launch Year
1. 1980
2. 1957
3. 1989
4. 1983

(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-1, S-2
(D) P-3, Q-4, R-2, S-1

Oct/Nov 2017

67. Match the items in List I with the correct roles or features in List II:

List I: Organizations
P. NHB
Q. NCGTC
R. NABARD
S. IBA

List II: Roles / Features
1. Formulated a model education loan scheme.
2. Implements the 2017 Interest Subsidy scheme for rural housing.
3. Common trustee company set up by GOI to operate guarantee trust funds.
4. Adopted a comprehensive rural housing policy aligned with GOI's mission.

(A) P-2, Q-3, R-4, S-1
(B) P-3, Q-2, R-1, S-4
(C) P-1, Q-4, R-2, S-3
(D) P-4, Q-1, R-3, S-2

May/June 2008

68. Match the items in List I with the correct thresholds in List II:

List I: PMAY-G Exclusion Parameters
P. Kisan Credit Card limit
Q. Monthly family income
R. Irrigated land with at least one irrigation equipment
S. Irrigated land for two or more crop seasons

List II: Threshold Value
1. More than ₹ 10,000

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since it exceeds ₹ 50,000.

(C) No, no collateral security shall be obtained under this scheme.

(D) No, provided he pays an upfront guarantee fee of 2%.

May/June 2007

122. A Branch Manager in a metropolitan centre (population 15 lakhs) sanctions a housing loan of ₹ 32 lakhs for purchasing a house whose overall cost is ₹ 40 lakhs. Can this loan be classified under Priority Sector?

(A) Yes, as the loan is within the ₹ 35 lakh limit and the house cost is within ₹ 45 lakh.

(B) No, because priority sector housing loans in metropolitan centres are strictly capped at a maximum of ₹ 25 lakh.

(C) No, because the total house cost exceeds the ₹ 30 lakh limit established for priority sector eligibility.

(D) Yes, because any housing loan in a metro is classified as priority sector regardless of amount.

Oct/Nov 2025

123. The same Branch Manager receives a request for a loan to repair a damaged dwelling unit in the metropolitan centre. What is the maximum loan amount that can be considered under Priority Sector for this purpose?

(A) ₹ 2 lakh

(B) ₹ 6 lakh

(C) ₹ 10 lakh

(D) ₹ 15 lakh

May/June 2012

124. Another branch located in a non-metropolitan centre (population 8 lakhs) sanctions a housing loan of ₹ 28 lakhs for a house costing ₹ 35 lakhs. Is this loan eligible for Priority Sector classification?

(A) Yes, because the total loan amount requested is significantly below the ₹ 35 lakh metropolitan limit.

(B) Yes, because the total cost of the dwelling unit is below the ₹ 45 lakh metropolitan centre threshold.

(C) No, because in other centres, the loan limit is ₹ 25 lakh and the cost limit is ₹ 30 lakh.

(D) No, because non-metropolitan branches cannot classify housing loans as priority sector.

Oct/Nov 2014

125. A borrower approaches the branch for a loan for educational purposes, specifically a vocational course, amounting to ₹ 18 lakhs. Will this loan be classified as eligible for priority sector?

(A) Yes, because educational loans to individuals up to ₹ 20 lakhs are eligible for priority sector classification.

(B) Yes, because all educational loans issued for recognized courses up to ₹ 35 lakhs are eligible for this sector.

(C) No, because vocational courses are strictly excluded from priority sector classification.

(D) No, because only educational loans up to a maximum of ₹ 10 lakhs are eligible for priority sector treatment.

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ANSWERS

1. (B) A project using at least 50% of floor space index (FSI) for units with a carpet area of not more than 60 sq m.
Affordable housing projects under the Ministry of Finance notification are identified by specific density and area criteria. These projects must allocate at least fifty percent of the total floor space index to residential units with a carpet area not exceeding sixty square meters. This regulation aims to incentivize urban development for lower and middle-income segments within metropolitan regions.

2. (D) A house able to withstand normal wear and tear due to usage and natural forces for a period of at least 30 years.
A pucca house under the Pradhan Mantri Awas Yojana - Gramin is defined based on its structural durability and resilience against environmental factors. It must be capable of withstanding normal wear and tear from usage and natural forces for at least thirty years. This standard ensures long-term residential stability for rural beneficiaries while utilizing quality construction materials.

3. (C) Any course of study pursued after passing the Senior Secondary Examination or equivalent from a recognized Board or university.
Section 80E of the Income Tax Act provides a specific legal definition for higher education to determine tax deduction eligibility. It encompasses any course of study pursued by an individual after successfully passing the Senior Secondary Examination or its equivalent from a recognized board. This broad classification includes vocational and professional programs undertaken at various recognized universities or colleges.

4. (D) A benchmark identifying households in need of government assistance due to significant economic disadvantage.
Below Poverty Line serves as an economic benchmark used by the government to identify households that require social assistance and welfare support. This classification highlights individuals experiencing significant economic disadvantage who lack the resources to meet basic needs. It is primarily used to target specific developmental schemes and subsidies towards the most vulnerable populations across India.

5. (C) A fixed payment amount made by a borrower to a lender at a specified date each calendar month.
An Equated Monthly Installment represents a fixed payment amount made by a borrower to a lender on a specific date each calendar month. This repayment structure combines both the principal and the interest components into a single recurring sum. It allows borrowers to manage their finances predictably by ensuring consistent outgoings throughout the duration of the loan tenure.

6. (D) 1989
The Jawahar Rozgar Yojana was launched in April 1989 by merging existing employment programs into a single massive rural initiative. This scheme focused on providing wage employment to the rural poor by creating sustainable community assets. It represented a major shift in decentralization, as funds were allocated directly to village panchayats for implementation and local development monitoring.

7. (B) ₹ 1,20,000
Under the restructured rural housing program, the financial assistance provided for building a dwelling unit in plain geographical regions is fixed at one lakh twenty thousand rupees. This amount is intended to cover the core construction costs of a permanent house. The funding is shared between the central and state governments to ensure social inclusion for eligible households.

8. (A) 0.5% of the amount outstanding
The National Credit Guarantee Trust Company manages the guarantee trust fund for skill-related loans to encourage lending to the vocational sector. A nominal guarantee fee is charged to the banks, which is capped at zero point five percent of the total outstanding loan amount. This fee

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structure facilitates credit access for students seeking technical training and skill enhancement.

9. (C) ₹ 20 lakhs
Loans provided to individuals for educational purposes qualify for priority sector classification up to a specific financial ceiling. Currently, this limit is set at twenty lakh rupees for loans to be eligible for this classification. This regulatory classification encourages commercial banks to extend credit for higher education, ensuring that students can pursue domestic and international studies through institutional financing.

10. (B) 1957, ₹ 5,000
The Village Housing Program was introduced in 1957 as an integral part of the Community Development Movement to improve rural living conditions. During its inception, the program provided a maximum financial loan of five thousand rupees per housing unit. This early initiative laid the groundwork for future government-sponsored housing schemes aimed at providing shelter to rural populations.

11. (C) The moratorium period may extend up to 12 months from the date of completion of the course.
For vocational courses lasting more than one year under the Skill Loan Scheme, a specific moratorium period is provided to ease the repayment burden. This grace period can extend up to twelve months after the student successfully completes their course. This allows the individual sufficient time to secure employment and stabilize their finances before beginning regular monthly loan repayments.

12. (B) It identifies beneficiaries from the SECC 2011 list based on housing deficiency and social deprivation.
The Gram Sabha plays a vital role in the decentralized selection process of beneficiaries for rural housing assistance. It is responsible for identifying eligible households from the Socio-Economic and Caste Census 2011 data based on housing deficiency and social deprivation criteria. This participatory approach ensures transparency and community validation in the final prioritization of individuals for housing unit allocation.

13. (C) The margin will be 'Nil' for loans up to ₹ 7.5 lakhs if eligible for the guarantee coverage.
Margin requirements for education loans are influenced by the availability of credit guarantee coverage under central government schemes. For loans up to seven point five lakh rupees that are eligible for such guarantee, the margin is considered nil. This policy removes financial barriers for students from lower-income backgrounds, allowing them to access full funding for their academic expenses.

14. (C) Owning 2.5 acres or more of irrigated land with at least one item of irrigation equipment.
Exclusion criteria under the Pradhan Mantri Awas Yojana - Gramin are designed to target resources toward the most needy households. A household is automatically excluded if it owns two point five acres or more of irrigated land coupled with at least one item of irrigation equipment. This parameter helps differentiate between economically stable agricultural families and those requiring urgent housing support.

15. (A) The Government provides an upfront 3% subsidy to the NHB, which passes it to Primary Lending Institutions.
The 2017 rural housing interest subsidy scheme operates through a centralized financial mechanism to lower borrowing costs. The government provides an upfront three percent interest subsidy to the National Housing Bank, which then passes the benefit to the respective primary lending institutions. This subsidy reduces the effective interest rate for rural borrowers, making institutional credit for home construction more affordable.

16. (B) Liabilities covered by these bonds are exempted from computation of NDTL for CRR/SLR maintenance purposes.
Banks issuing long-term bonds to finance infrastructure and affordable housing receive specific regulatory benefits from the Reserve Bank of India. Liabilities incurred through these bonds are exempted from the calculation of Net Demand and Time Liabilities for maintaining Cash Reserve Ratio and Statutory Liquidity Ratio. This exemption reduces the cost of funds, allowing banks to offer cheaper loans.

17. (B) In special cases such as the North Eastern region and Left-Wing Extremism (LWE) affected areas.
The National Credit Guarantee Trust Company provides a standard guarantee cover for skill loans, but this can be enhanced under specific geographic conditions. In the North Eastern region and areas affected by Left-Wing Extremism, the maximum credit guarantee cover may be increased beyond the standard seventy-five percent. This specialized support aims to promote skill development in traditionally underserved or volatile regions.

18. (C) 2 years
Education loan guidelines allow for flexibility if a student cannot complete their studies within the scheduled duration. Banks can grant an extension for the completion of the course for a maximum period of two years. This accommodation ensures that students facing academic delays or personal challenges are not immediately forced into repayment while still pursuing their degree or diploma.

19. (C) By extending loans to the National Centre for Drinking Water, Sanitation and Quality towards part funding of the Central share.
NABARD supports the Swachh Bharat Mission-Gramin by facilitating the financial requirements for large-scale sanitation infrastructure. It extends loans to the National Centre for Drinking Water, Sanitation and Quality to help fund the central government's share of the project. This institutional support is crucial for achieving universal sanitation coverage and improving hygiene standards across various rural districts in India.

20. (D) They are included in the loan assessment, and the amount is credited to the loan account when received.
When assessing the total quantum of an education loan, banks take into account any scholarships or fee waivers received by the student. These amounts are included in the overall financial assessment to ensure accurate funding. Upon receipt, the scholarship funds are credited to the loan account, effectively reducing the borrower's liability and the interest burden over the remaining tenure.

21. (B) 60:40 in plain areas and 90:10 in North Eastern and Hilly states.
The financial burden of the Pradhan Mantri Awas Yojana - Gramin is shared between the center and states using specific ratios. In plain areas, the cost-sharing is sixty percent from the center and forty percent from the state. For North Eastern and hilly states, the central share increases to ninety percent, while the state contributes ten percent for implementation.

22. (B) The security documents are executed by the parent, and upon attaining majority, the bank obtains a letter of ratification from the student.
For education loans granted to minors, specific legal procedures are followed to ensure the contract remains valid. The security documents are initially executed by the parent or legal guardian on behalf of the minor. Once the student attains the age of majority, the bank obtains a letter of ratification to confirm the student's legal commitment to the existing loan agreement.

23. (B) Minimum size 25 Sq. mt.; Unit assistance ₹ 1,20,000
The restructured rural housing scheme mandates specific minimum standards for dwelling units constructed in plain areas. The house must have a minimum floor area of twenty-five square meters, which includes space for a hygienic cooking area. For these projects, the government provides financial assistance of one lakh twenty thousand rupees per unit to ensure basic quality of living.

24. (A) Industrial Training Institutes (ITIs), Polytechnics, or training partners affiliated to National Skill Development Corporation (NSDC).
The Skill Loan Scheme targets vocational training provided by recognized institutions to enhance employability. Eligible providers include Industrial Training Institutes, Polytechnics, and various training partners affiliated with the National Skill Development Corporation. By focusing on these certified entities, the scheme ensures that the funded courses meet national quality standards for technical education and job-oriented skills training.

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25. (B) Loans up to ₹ 35 lakh for purchase/ construction of a dwelling unit costing up to ₹ 45 lakh.
In metropolitan centers with a population of ten lakh and above, housing loans qualify for priority sector classification under specific financial caps. The maximum loan amount permitted for this classification is thirty-five lakh rupees. Additionally, the overall cost of the dwelling unit must not exceed forty-five lakh rupees to ensure that the credit is directed toward affordable and middle-income housing segments.

26. (A) Convergence includes electricity, piped water, rain water harvesting, and LPG gas connection under the UJJWAL scheme.
The Pradhan Mantri Awas Yojana - Gramin promotes holistic development through the convergence of various government schemes. This includes providing households with electricity connections, piped water supply, and LPG connections under the Ujjwala scheme. Furthermore, the program encourages the integration of rainwater harvesting systems to improve sustainability and ensure that beneficiaries have access to all basic household amenities.

27. (D) It is a single window IT-based platform for students seeking educational loans or scholarships.
The Pradhan Mantri Vidya Lakshmi Karyakram is a comprehensive digital platform designed to assist students seeking financial aid for higher education. It serves as a single-window portal where students can apply for and track educational loans and scholarships from multiple banks and government departments. This initiative simplifies the application process and enhances transparency in the distribution of educational funds.

28. (B) Deductions are allowed on the interest paid on education loans taken for higher studies for a maximum period of 8 years.
Section 80E of the Income Tax Act provides financial relief to taxpayers who have taken loans for higher studies. The law allows for a deduction of the total interest paid on the loan from the individual's taxable income. This benefit can be claimed for a maximum period of eight years or until the interest is fully repaid, whichever occurs earlier.

29. (B) Beneficiaries are eligible to receive an assistance of ₹ 12,000 from Swatch Bharat Mission, MGREGS, or other dedicated financing sources.
Beyond the basic unit assistance for home construction, PMAY-G beneficiaries are entitled to specific funds for building toilets. This additional support, amounting to twelve thousand rupees, is sourced through convergence with the Swachh Bharat Mission or MGREGS. This ensures that every newly constructed rural house includes proper sanitation facilities, contributing to the national goal of eliminating open defecation.

30. (B) The tenure is up to 5 years.
Repayment terms for the Skill Loan Scheme are categorized based on the total loan amount sanctioned to the student. For loans exceeding fifty thousand rupees but not more than one lakh rupees, the maximum permitted repayment tenure is five years. This timeline provides a balanced period for students to find suitable employment and systematically clear their debt following their vocational training.

31. (B) Indira Awas Yojana (IAY) was initially launched as an independent scheme in June 1985.
Historically, the evolution of rural housing in India involved various shifts in administrative status for major schemes. The Indira Awas Yojana was actually launched as a sub-scheme of the Rural Landless Employment Guarantee Program in 1985, rather than as an independent entity. It was only made a fully independent scheme by the government starting from January 1996 to focus on shelter.

32. (B) Households possessing a Kisan Credit Card with a credit limit of ₹ 40,000 are automatically excluded.
The exclusion parameters for rural housing assistance are strictly defined to identify relatively prosperous households. While owning motorized vehicles or having a government employee in the family leads to exclusion, the threshold for Kisan Credit Cards is specifically fifty thousand rupees or above. Therefore, a household possessing

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49. (D) Owning 1.0 acre of un-irrigated barren land with no equipment.
Exclusion from rural housing assistance is triggered by specific land ownership thresholds, such as owning five acres or more of irrigated land for multiple seasons. Owning small portions of un-irrigated or barren land without any modern irrigation equipment does not meet the criteria for disqualification. This ensures that families with poor quality land and no mechanized support remain eligible for social benefits.

50. (A) A heavy prepayment penalty is levied if the loan is foreclosed before the completion of 5 years.
Repayment terms for education loans are designed to be borrower-friendly, allowing for a tenure of up to fifteen years. Banks often allow for the telescoping of installments to match the rising income of a young professional. Crucially, there is no prepayment penalty levied by banks if a borrower chooses to close the loan account before the scheduled completion date.

51. (C) To address gaps revealed by a 2014 CAG audit, such as non-assessment of shortage, lack of transparency, and low quality.
The restructuring of the Indira Awas Yojana into the Pradhan Mantri Awas Yojana - Gramin was driven by findings from a 2014 CAG audit. This report highlighted critical gaps, including a lack of transparency in beneficiary selection, non-assessment of actual housing shortages, and the low quality of construction. The new scheme was designed to fix these issues through better monitoring and funding.

52. (D) Commencing repayment with lower installments initially and stepping them up as the borrower's income increases over time.
Telescoping of repayment is a flexible strategy used in education loans to accommodate the career trajectory of new graduates. Under this method, the borrower starts with lower monthly installments in the initial years of employment. As their professional experience grows and their salary increases over time, the installment amounts are gradually stepped up, ensuring that the debt is cleared systematically without causing early stress.

53. (C) To help banks raise long-term resources and provide cheaper credit for making housing affordable to EWS, LIG, and MIG segments.
The Reserve Bank of India exempts long-term bonds for affordable housing from CRR and SLR requirements to lower the cost of capital for banks. By reducing the regulatory burden on these funds, banks are able to provide cheaper, long-term credit to segments like Economically Weaker Sections and Middle Income Groups. This move is essential for making home ownership more accessible to the broader population.

54. (B) India's shortage of skilled workers necessitates scaling up efforts across large sections of the workforce, irrespective of age.
The Skill Loan Scheme does not impose a maximum age limit because India faces a significant shortage of skilled workers across various industries. To enhance national productivity, it is necessary to provide training opportunities to all sections of the workforce, regardless of age. This inclusive approach allows both young students and older workers to acquire new vocational skills and improve their long-term employability.

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55. (D) Parents execute security documents, and the student provides a letter of ratification upon attaining the age of majority.
When a minor applies for an education loan, banks follow a two-step legal process to secure the debt. First, the parents or legal guardians execute the necessary security documents as joint borrowers. Second, upon the student reaching eighteen years of age, the bank obtains a formal letter of ratification. This ensures the loan contract is legally binding on the student throughout the repayment period.

56. (A) To provide technical support in achieving project targets and offer assistance to beneficiaries in house construction.
The National Technical Support Agency provides specialized expertise to ensure the success of the rural housing program. Its primary role involves helping states achieve their project targets and providing technical assistance to beneficiaries during the construction process. This ensures that the houses built under the scheme meet the required quality standards and structural

41. (C) Owning a bicycle.
The exclusion criteria for the Pradhan Mantri Awas Yojana - Gramin focus on high-value assets and stable income sources that indicate a household does not require government assistance. While owning mechanized farm equipment or having professional taxpayers in the family results in exclusion, owning a bicycle is considered a basic necessity. Thus, possessing a bicycle does not disqualify a household from the scheme.

42. (A) Purchase of a personal vehicle for commuting to the college/school.
Education loans cover a wide range of costs directly related to academic pursuits and student living. These include tuition fees, library charges, laboratory expenses, and even the purchase of a computer if required by the course. However, the purchase of a personal vehicle for daily commuting is strictly excluded from the list of eligible expenses under the standard model loan scheme.

43. (D) The subsidy is calculated on a compounding basis and paid at the end of the loan tenure.
The Interest Subsidy Scheme for rural housing provides a three percent subsidy for loans up to two lakh rupees, implemented through the National Housing Bank. The subsidy benefit is calculated on a Net Present Value basis and is adjusted against the borrower's principal upfront. It is not calculated on a compounding basis or paid only at the end of the loan tenure.

44. (B) Undergraduate distance-learning arts degrees from unrecognized institutions.
For international studies, education loans focus on job-oriented professional or technical graduation and post-graduation courses from reputed institutions. Recognized programs such as MBA, MCA, MS, and certifications from bodies like CIMA-London are eligible. However, undergraduate distance-learning degrees from unrecognized institutions do not meet the criteria for funding under the standard institutional guidelines for overseas education.

45. (C) Households owning a pucca house with a structurally damaged roof requiring minor repairs.
Automatic inclusion in the rural housing program is reserved for the most destitute groups, such as households without shelter, legally released bonded laborers, and primitive tribal groups. A household that already owns a pucca house, even if it has a damaged roof requiring minor repairs, does not qualify for automatic inclusion. Such cases are evaluated based on broader deprivation and deficiency criteria.

46. (D) The bonds must strictly carry a fixed rate of interest; floating rates are prohibited.
The issuance of long-term bonds for infrastructure and affordable housing is governed by specific regulatory incentives. These bonds must have a minimum seven-year maturity and provide exemptions from CRR and SLR requirements. Contrary to some assumptions, the interest rate on these bonds is not restricted to a fixed rate; banks are permitted to issue them with floating interest rates as well.

47. (A) Banks do not have the option to recover the guarantee fee from the borrower; it must be borne entirely by the government.
The National Credit Guarantee Trust Company provides a guarantee for the Skill Loan Scheme with a maximum cover of seventy-five percent. While the government sets the nominal guarantee fee at zero point five percent, it does not mandate that the government must pay it. Banks have the specific option to either bear the fee themselves or recover it from the borrower.

48. (B) It acts as a primary lending institution that directly disburses funds to the student's account bypassing banks.
The Pradhan Mantri Vidya Lakshmi Karyakram is a digital facilitation platform that streamlines the process for students to apply for educational finance. It provides a single window for tracking applications and researching various scholarship options across different financial institutions. The portal does not act as a direct lender itself; instead, it coordinates the flow of information between students and commercial banks.

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a card with a lower limit is not automatically disqualified from receiving housing benefits.

33. (B) Only postgraduate courses are eligible for funding if pursued abroad; undergraduate courses are strictly excluded.
Education loan schemes are designed to support a wide range of academic pursuits, both domestically and internationally. For studies abroad, eligibility is not restricted solely to postgraduate programs; graduation courses offered by reputed universities are also fully covered. This inclusivity ensures that students can pursue diverse professional and technical degrees from an early stage in their higher education journey.

34. (A) Banks mandate a collateral security of at least 50% of the loan amount to mitigate default risk.
The Skill Loan Scheme is structured to minimize financial barriers for individuals seeking vocational training. Unlike traditional commercial loans, banks are prohibited from demanding any collateral security from the student or their family. This policy ensures that talented individuals from economically disadvantaged backgrounds can access necessary funds for skill enhancement without the burden of providing tangible assets as security.

35. (C) There is a strict regulatory restriction on the absolute quantum of such bonds that can be issued by a bank.
Commercial banks are encouraged to raise funds through long-term bonds for infrastructure and affordable housing projects. There is no regulatory cap on the total amount of these bonds a bank can issue, provided they meet the minimum seven-year maturity requirement. This flexibility allows banks to scale their lending operations according to market demand and their specific balance sheet requirements.

36. (D) Loans for repairs in metropolitan centres are capped at ₹ 15 lakh to qualify as priority sector.
Priority sector classification for housing repairs involves specific financial limits based on the location of the property. In metropolitan centers, loans for repairs to damaged dwelling units are eligible for this status only if they do not exceed ten lakh rupees. This targeted limit ensures that the regulatory incentives are focused on maintaining existing housing stock for affordable segments of the population.

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37. (D) The beneficiary is given a mandatory 24-month grace period to commence construction after the funds are released.
Efficiency and timely delivery are key components of the restructured rural housing program. Beneficiaries are expected to complete the construction of their dwelling units within twelve months from the date the sanction letter is issued. There is no provision for a mandatory twenty-four-month grace period to begin construction, as the program aims for rapid improvement in rural housing availability.

38. (C) Tangible security acceptable to the bank is required for loans up to ₹ 4 lakhs.
Security requirements for education loans are tiered based on the total amount borrowed by the student. For loans up to four lakh rupees, no tangible security or third-party guarantee is required by the lending institutions. This regulation ensures that students from families without significant assets can still access the necessary financial support to pursue their higher education and career goals.

39. (D) The tax deduction applies equally to both the principal repayment and the interest payment.
Tax benefits under Section 80E are specifically designed to reduce the burden of interest payments on educational credit. The deduction applies exclusively to the interest component of the loan and does not include the principal repayment amount. This financial relief is available to the borrower for up to eight years, supporting the education of themselves, their spouse, or their children.

40. (A) NABARD restricts its sanitation funding exclusively to government-owned public utilities, prohibiting any assistance to SHG women.
NABARD plays a multifaceted role in promoting rural sanitation and the WASH sector. It does not restrict its funding to public utilities but also provides refinance and support for loans extended to individuals and Self-Help Group members for toilet construction. This comprehensive approach ensures that credit reaches the grassroots level to improve health and hygiene in rural communities.

durability while optimizing the use of available local materials.

57. (C) To create awareness on clean water and hygiene to sustain attitudinal changes for adopting safe sanitation practices.
NABARD conducts Sanitation Literacy Programs to foster long-term behavioral changes within rural communities regarding health and hygiene. These programs focus on creating awareness about the importance of clean water and safe sanitation practices. By educating households, NABARD aims to sustain the attitudinal shifts necessary for the successful adoption and maintenance of toilet facilities, ultimately improving public health outcomes across the country.

58. (A) To secure the loan against the student's demise, ensuring the debt does not burden the co-borrowing parent or guardian.
Banks often advise education loan borrowers to take a life insurance policy for the student to mitigate the risk of unforeseen events. This policy ensures that in the event of the student's untimely demise, the outstanding loan amount is covered by the insurance proceeds. This protection prevents the remaining financial debt from becoming a permanent burden on the co-borrowing parents or legal guardians.

59. (D) To ensure that individuals supporting the education of dependents, beyond biological children, are incentivized with financial relief.
The extension of tax benefits under Section 80E to legal guardians acknowledges that individuals often support the higher education of dependents beyond their biological children. By allowing guardians to claim deductions on interest payments, the law provides financial relief to those who take on the responsibility of funding a relative's or ward's education. This incentive promotes higher education across a wider social demographic.

60. (A) (II), (IV), (I), (III)
The development of rural housing began with the Village Housing Program in 1957. This was followed by the launch of the Indira Awas Yojana as a sub-scheme of RLEGP in 1985. Later, in 1996, the Indira Awas Yojana was made a fully independent scheme. Finally, the Pradhan Mantri Awas Yojana - Gramin was introduced in 2016 to replace and restructure the existing system.

61. (A) (III), (II), (I)
The sequence of these institutional developments began with the establishment of the National Credit Guarantee Trust Company in 2014. Subsequently, the government replaced the earlier vocational loan scheme with the updated Skill Loan Scheme in 2015. In the same year, the Pradhan Mantri Vidya Lakshmi Karyakram was launched as a digital portal to streamline student applications for loans and various academic scholarships.

62. (A) P-2, Q-4, R-3, S-1
Under the PMAY-G scheme, the financial assistance varies by geography and purpose. Plain areas receive one lakh twenty thousand rupees, while hilly areas are provided with one lakh thirty thousand rupees. Additionally, twelve thousand rupees is allocated specifically for toilet construction. Beneficiaries are also facilitated to access institutional loans up to seventy thousand rupees to supplement their housing construction needs.

63. (A) P-4, Q-3, R-2, S-1
Priority sector housing loans are defined by specific financial caps that differ based on location. In metropolitan centers, the maximum loan is thirty-five lakh rupees for a house costing up to forty-five lakh rupees. In other centers, these limits are reduced to a twenty-five lakh rupee loan for a dwelling unit with an overall cost not exceeding thirty lakh rupees.

64. (B) P-2, Q-3, R-1, S-4
Repayment tenures for skill loans are structured according to the loan amount. For sums up to fifty thousand rupees, the tenure is three years, while loans between fifty thousand and one lakh rupees have a five-year period. Loans exceeding one lakh rupees can be repaid over seven years. The maximum total assistance provided under the entire scheme is one lakh fifty thousand rupees.

65. (B) P-2, Q-1, R-3, S-4
Margin requirements for education loans depend on the loan amount and the study location. There is no margin for loans up to four lakh rupees or

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for loans up to seven point five lakhs covered by credit guarantees. For loans exceeding four lakh rupees, the margin is five percent for studies in India and fifteen percent for students pursuing their degrees at international universities.

66. (A) P-2, Q-1, R-4, S-3
Government rural initiatives have been launched periodically to address employment and housing. The Village Housing Program started in 1957, followed by the National Rural Employment Program in 1980. The Rural Landless Employment Guarantee Program was established in 1983 to provide job security. Finally, the Jawahar Rozgar Yojana was launched in 1989 by merging existing programs into a unified rural development scheme.

67. (A) P-2, Q-3, R-4, S-1
Each organization plays a distinct role in the financial ecosystem. The National Housing Bank implements interest subsidy schemes, while the NCGTC operates credit guarantee trust funds. NABARD maintains a comprehensive rural housing policy aligned with government goals. Additionally, the Indian Banks' Association is responsible for formulating the model education loan scheme that serves as a guideline for most commercial banks in India.

68. (C) P-3, Q-1, R-2, S-4
Exclusion from PMAY-G is based on specific economic indicators. Households with a monthly income exceeding ten thousand rupees or a Kisan Credit Card limit of fifty thousand rupees or above are disqualified. Regarding land ownership, owning two point five acres of irrigated land with equipment or five acres of irrigated land for two seasons also leads to exclusion from the rural housing assistance.

69. (A) P-4, Q-2, R-1, S-3
Various terms define the landscape of social and financial services. Below Poverty Line is an economic benchmark for disadvantage, while Equated Monthly Installment refers to fixed recurring loan payments. The PMVLK is an IT-based portal for student aid, and AwasSoft serves as the Management Information System where the bank and post office accounts of housing beneficiaries are officially registered.

70. (A) P-4, Q-3, R-1, S-2
Different loan types have specific caps under various guidelines. The priority sector limit for education is twenty lakh rupees, while the Skill Loan Scheme is capped at one lakh fifty thousand rupees. According to the IBA model, the general finance quantum is ten lakh rupees for studies within India and twenty lakh rupees for students pursuing higher education abroad.

71. (A) P-2, Q-4, R-3, S-1
Rural development history is marked by several key programs. NREP stands for the National Rural Employment Program, and RLEGP refers to the Rural Landless Employment Guarantee Program. JRY is the acronym for the Jawahar Rozgar Yojana, a major employment initiative. Finally, VHP represents the Village Housing Program, which was one of the earliest efforts to provide credit for rural shelter.

72. (A) 2017 Rural Housing Interest Subsidy Scheme — National Housing Bank (NHB)
The Interest Subsidy Scheme of 2017 for rural housing is centrally managed by the National Housing Bank as the nodal agency. This scheme focuses on providing a three percent interest subsidy to rural households for home construction or improvement. Other schemes like PMAY-G are handled by government ministries, while educational portals like PMVLK are separate digital initiatives unrelated to NABARD's direct management.

73. (C) Housing loan to HFCs for on-lending up to ₹ 20 lakhs per individual borrower.
Under priority sector guidelines, specific limits apply to different types of housing finance. Bank loans provided to Housing Finance Companies for the purpose of on-lending are classified as priority sector if the loan to each individual borrower does not exceed twenty lakh rupees. Other categories, such as metropolitan housing loans, have higher limits of thirty-five lakh rupees for priority classification.

74. (A) Courses conducted by CIMA, London — India
Education loan guidelines distinguish between domestic and international studies based on the location of the institution and certification body. Courses like CIMA-London are specifically

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categorized under studies abroad for the purpose of assessing the quantum of finance and interest rates. In contrast, degree programs such as pilot training or MBA are eligible under both domestic and international classifications depending on the university.

75. (C) Above ₹ 1 lakh — Up to 10 years
The repayment tenure for the Skill Loan Scheme is designed to be concise and manageable for students. For loan amounts exceeding one lakh rupees, the maximum permitted repayment period is seven years, not ten years. This ensures that borrowers can clear their vocational debt relatively quickly once they enter the workforce. The shorter tenure reflects the focused nature of the training provided under this scheme.

76. (A) (I) only
The funding for PMAY-G is a collaborative effort between the central and state governments, with a sixty to forty sharing ratio in plain areas. While the government provides unit assistance for construction, it also facilitates institutional loans for beneficiaries who desire more funds. However, the facilitated loan amount is capped at seventy thousand rupees, rather than the higher unit assistance amount.

77. (A) (I) only
The standard moratorium period for an education loan includes the entire course duration plus an additional one year. This provides students with ample time to secure employment before starting their repayments. While this is the standard rule, banks do have the flexibility to grant further moratoriums in special circumstances, such as for students who are establishing their own start-up units.

78. (B) (II) only
Long-term bonds issued by banks to finance affordable housing are designed with specific regulatory incentives. These liabilities are explicitly exempted from the calculation of Net Demand and Time Liabilities for the purpose of maintaining CRR and SLR. Additionally, the guidelines permit banks to issue these bonds with either fixed or floating interest rates, providing flexibility in how they manage their liabilities.

79. (A) (I) only
Section 80E of the Income Tax Act allows taxpayers to deduct the interest paid on an education loan from their total taxable income. This deduction serves as a significant financial incentive for individuals pursuing higher education. However, the law limits the duration for which this benefit can be claimed to a maximum of eight years, or until the interest is fully repaid.

80. (B) (II) only
The Skill Loan Scheme is supported by a credit guarantee provided by the National Credit Guarantee Trust Company. This guarantee typically covers seventy-five percent of the outstanding loan amount to mitigate the risk for banks. To maintain accessibility, the scheme strictly prohibits banks from demanding any collateral security or third-party guarantees from the students, ensuring that credit is based on vocational potential.

81. (A) (I) and (II) only
The Village Housing Program was launched in 1957 as an early rural initiative with a five thousand rupee loan limit. In 1985, the Indira Awas Yojana was created as a sub-scheme of the Rural Landless Employment Guarantee Program specifically for marginalized groups. Contrary to some beliefs, IAY did eventually become a fully independent scheme in 1996 before being replaced by PMAY-G.

82. (C) (I) and (III) only
The moratorium period under the Skill Loan Scheme depends on the duration of the vocational course. If the course lasts up to one year, the repayment begins after a six-month grace period. For courses exceeding one year in duration, the moratorium is extended to twelve months after completion. This structure ensures that students have a reasonable window to find employment before their loan installments commence.

83. (B) (I) and (III) only
Education loan guidelines specify a five percent margin for domestic studies for loans above four lakh rupees. Regarding security, students and parents act as joint borrowers, and in the case of married students, the spouse or parents-in-law can fulfill this role. Importantly, tangible collateral

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not pressured to start repayments immediately, giving him a full year to find a suitable job.

120. (C) 10%
The Skill Loan Scheme guidelines specify a maximum margin that banks can stipulate for vocational training expenditure. For Amit's eighty thousand rupee loan, the bank can require a margin of up to ten percent of the total course cost. This means Amit or his family would be responsible for funding eight thousand rupees of the expenses, while the bank provides the remaining credit.

121. (C) No, no collateral security shall be obtained under this scheme.
The Skill Loan Scheme is designed to be accessible to all students regardless of their family's asset ownership. For Amit's loan of eighty thousand rupees, the bank is strictly prohibited from demanding any collateral security or third-party guarantees. This policy is fundamental to the scheme, ensuring that vocational training is funded based on the student's enrollment in recognized institutions rather than their wealth.

122. (A) Yes, as the loan is within the ₹ 35 lakh limit and the house cost is within ₹ 45 lakh.
In a metropolitan center with a population of fifteen lakhs, the limits for priority sector housing loans are thirty-five lakhs for the loan amount and forty-five lakhs for the house cost. Since the Branch Manager sanctioned a loan of thirty-two lakhs for a house costing forty lakhs, both parameters are well within the eligibility thresholds. Therefore, this loan qualifies for priority sector classification.

123. (C) ₹ 10 lakh
Priority sector guidelines include specific provisions for the repair and maintenance of existing dwelling units. For a house located in a metropolitan center, the maximum loan amount that can be classified under the priority sector for repair purposes is ten lakh rupees. This limit allows homeowners to access affordable credit for significant structural improvements or damage restoration within major urban areas.

124. (C) No, because in other centres, the loan limit is ₹ 25 lakh and the cost limit is ₹ 30 lakh.
In non-metropolitan centers, the financial limits for priority sector housing loans are lower than those in major cities. For these locations, the maximum loan amount is twenty-five lakh rupees and the total cost of the dwelling unit must not exceed thirty lakh rupees. Since the branch sanctioned a twenty-eight lakh rupee loan for a thirty-five lakh rupee house, it exceeds both priority sector limits.

125. (A) Yes, because educational loans to individuals up to ₹ 20 lakhs are eligible for priority sector classification.
Yes, because educational loans to individuals not exceeding ₹ 20 lakhs are eligible for priority sector classification. Since the borrower's request is for eighteen lakh rupees, the loan falls within the eligible threshold for priority sector treatment as it does not exceed the stipulated limit.

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93. (A) (I), (II), (III), and (IV) only
The Skill Loan Scheme offers a maximum assistance of one lakh fifty thousand rupees with a margin capped at ten percent. Banks are prohibited from taking collateral and the NCGTC guarantee fee is limited to zero point five percent of the outstanding. Consistent with other student-friendly credit policies, banks do not recover any prepayment charges from borrowers under this vocational training initiative.

94. (D) (I), (II), (III), (IV), and (V)
Priority sector housing guidelines include specific loan and cost limits for metropolitan and other centers. These rules also cover repair loans, with caps of ten lakhs in metros and six lakhs elsewhere. Furthermore, affordable housing projects are identified by the requirement that at least fifty percent of the floor space index is dedicated to units with a carpet area of sixty square meters or less.

95. (A) (I), (II), (III), and (IV) only
The DRI scheme provides concessional interest rates of four percent, while PMVLK serves as a digital gateway for student financial aid. Section 80E allows interest deductions for up to eight years, and the Swachh Bharat Mission-Gramin aims for universal rural sanitation. The National Technical Support Agency, however, is focused on the PMAY-G housing program rather than supervising the NCGTC's credit guarantee trust funds.

96. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The minimum unit size for rural housing was increased from twenty to twenty-five square meters under the restructured PMAY-G scheme. This expansion was specifically intended to improve living standards by ensuring that every house includes a dedicated and hygienic cooking area. This change reflects the program's focus on quality of life and health for rural beneficiaries rather than just providing shelter.

97. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Exempting liabilities from long-term housing bonds from CRR and SLR calculations directly reduces the cost of funds for banks. This regulatory incentive is provided because the government seeks to ensure the availability of cheaper, long-term credit for affordable housing. By lowering the operational costs for lenders, the policy makes it more feasible to offer accessible home loans to economically disadvantaged and middle-income segments.

98. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Banks allow for the telescoping of installments in education loans, which means starting with lower payments that increase over time. This structure is specifically designed to accommodate the reality of professional careers, where starting salaries are often lower. As the borrower gains experience and their income grows, they can comfortably manage larger stepped-up installments, ensuring a sustainable repayment process for the individual.

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99. (D) Assertion (A) is false, but Reason (R) is true.
The Skill Loan Scheme does not have a strict maximum age limit for applicants, as vocational training is encouraged for all workforce participants. However, the reason provided is accurate: a large portion of the Indian workforce lacks the necessary job skills despite having basic education. The scheme addresses this unemployability by providing credit for certified training programs to workers across various age groups.

100. (C) Assertion (A) is true, but Reason (R) is false.
Students who are minors are legally permitted to avail of education loans through institutional channels. However, the assertion that a minor can execute documents independently to create a legally binding contract is false under Indian law. Instead, the parents or guardians must execute the security documents, and the student provides a letter of ratification once they attain the legal age of majority.

101. (D) Assertion (A) is false, but Reason (R) is true.
The Pradhan Mantri Vidya Lakshmi Karyakram was not launched as a tax-saving instrument, although Section 80E provides such benefits separately. PMVLK is primarily an IT-based single-window portal designed to help students

and PMSBY
(A) P-3, Q-4, R-2, S-1
(B) P-4, Q-3, R-1, S-2
(C) P-1, Q-2, R-4, S-3
(D) P-3, Q-1, R-2, S-4

May/June 2025

19. All of the following are strategic objectives laid down for the period 2020-25 regarding financial education, except:
(A) Encourage active savings behaviour
(B) Improve usage of digital financial services in a safe and secure manner
(C) Manage risk at various life stages through relevant insurance cover
(D) Guarantee zero-risk investments in equity derivative markets

Oct/Nov 2019

20. Which of the following accurately describes the National Centre for Financial Education (NCFE)?
(A) It is a Section 8 company under the Companies Act, 2013 set up by all financial sector regulators.
(B) It is a statutory body established directly under an Act of Parliament in 2020.
(C) It is a non-governmental organization entirely funded by international donor agencies.
(D) It is an autonomous department functioning solely under the Ministry of Finance.

May/June 2009

21. Which of the following statements correctly details the Direct Benefit Transfer (DBT) mechanism?
(A) The Direct Benefit Transfer Mission is currently placed under the administrative control of the Ministry of Home Affairs.
(B) Aadhaar is mandatory for all Direct Benefit Transfer schemes without any exceptions or alternative identification measures.
(C) DBT was launched in 2013 to ensure accurate targeting of beneficiaries and reduction of system leakages.
(D) The first phase of the Direct Benefit Transfer was initiated directly in three hundred identified districts simultaneously.

Oct/Nov 2011

22. The Basic Bouquet of Financial Services anticipated by the National Mission for Financial Inclusion includes all of the following, except:
(A) A Basic Savings Bank Deposit Account
(B) A mandatory international credit card
(C) A micro life and non-life insurance product
(D) A pension product and a suitable investment product

May/June 2010

23. Consider the following statements regarding the basic bouquet of financial services:
I Capacity building of all Business Correspondents (BCs) must be done exclusively by the parent entity, prohibiting the use of accredited institutions.
II The Public Credit Registry (PCR) is to be made fully operational so authorized financial entities can leverage it for assessing credit proposals.
Which of the above statements is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2024

24. What is the primary rationale for developing a broad National Strategy for Financial Education (NSFE)?
(A) To eliminate the operational need for autonomous regulatory bodies such as SEBI and PFRDA in the oversight of financial education.
(B) To mandate financial education as a prestigious and taxable service for all citizens across all demographic and income segments.
(C) To transfer all financial education responsibilities exclusively to the private sector and non-governmental educational institutions.
(D) To ensure that various stakeholders spreading financial literacy work in tandem and avoid working at cross purposes.

May/June 2017

25. Consider the following components of the '5 C' approach recommended for financial education:
I Development of relevant Content
II Developing Capacity among intermediaries

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require a standard margin contribution from the borrower. In Priya's case, since she is pursuing an MBA in the USA and the loan is twenty-five lakhs without special guarantee coverage, the applicable margin is fifteen percent. This means the borrower must fund a portion of the total assessed academic expenses themselves.

111. (A) The scholarship is factored into the loan assessment and credited to the loan account upon receipt.
When a student like Priya receives an external scholarship, the bank integrates this into the overall loan assessment. The scholarship amount is not ignored; instead, it is factored in to determine the net funding required. Once the scholarship funds are received from the university, they are credited directly to the loan account. This process reduces the total debt and the interest payable by the student.

112. (C) ₹ 20 lakhs
The Indian Banks' Association model scheme provides general guidelines for the maximum amount of finance for higher studies. For students seeking to study abroad, the prescribed quantum of finance is generally considered up to twenty lakh rupees. While individual banks have the discretion to fix higher limits based on the specific requirements of the course and the institution, this remains the standard benchmark.

113. (B) Her parent or guardian.
According to the operational guidelines for education loans, the loan documents must be executed by both the student and a joint borrower. Since Priya is unmarried, her parent or legal guardian is required to sign the documents as a joint borrower. This requirement provides the bank with additional security and ensures that there is a responsible party involved in the repayment commitment.

114. (C) 7 years
For XYZ Bank to qualify for regulatory incentives like CRR and SLR exemptions on funds raised for affordable housing, the bonds must meet specific criteria. The most critical condition is that these long-term bonds must have a minimum maturity period of seven years. This ensures that the bank has stable, long-term resources to match the long-term nature of housing and infrastructure loans.

115. (C) Long-term projects in infrastructure sub-sectors
The regulatory incentives provided for long-term bonds are not limited to affordable housing alone. Banks are also permitted to utilize the resources raised through these specific bonds for lending to long-term projects in various infrastructure sub-sectors. This dual-purpose classification helps banks support large-scale national development projects while benefiting from reduced regulatory costs on their long-term liabilities.

116. (D) It must require prior approval of the RBI.
If XYZ Bank decides to grow its affordable housing portfolio by acquiring incremental loans from other financial institutions, it must follow specific regulatory steps. To have these acquired loans reckoned for CRR and SLR exemptions, the bank is required to obtain prior approval from the Reserve Bank of India. This oversight ensures that the transfer of assets meets all necessary regulatory standards.

117. (C) 60 sq m
For an affordable housing project to qualify for financing incentives, it must adhere to specific density and size requirements. According to the March 2017 notification, the project must allocate at least fifty percent of its total floor space index to dwelling units. These individual units must not exceed a maximum carpet area of sixty square meters, ensuring the focus remains on compact and affordable urban housing.

118. (B) Up to 5 years
Under the Skill Loan Scheme, the repayment period is determined by the total amount borrowed. Since Amit is taking a loan of eighty thousand rupees, which falls between the fifty thousand and one lakh rupee bracket, the maximum tenure allowed is five years. This period allows the student sufficient time to gain employment and repay the debt after finishing their polytechnic training.

119. (C) 12 months
For vocational courses with a duration of more than one year, the Skill Loan Scheme provides a generous moratorium period. Since Amit's course lasts eighteen months, he is eligible for a grace period of up to twelve months after completing his studies. This moratorium ensures that he is

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discover and apply for both scholarships and educational loans. It serves as a centralized administrative and monitoring tool to improve student access to various financial aid schemes across the banking sector.

102. (D) Assertion (A) is false, but Reason (R) is true.
Under Section 80E of the Income Tax Act, tax deductions are restricted exclusively to the interest paid on an education loan, not the principal amount. While the assertion about the principal is incorrect, the reason regarding the duration is accurate. The deduction remains available to the taxpayer for a maximum period of eight years or until the total interest is fully repaid.

103. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Beneficiaries of the rural housing program who seek additional institutional loans can access the Differential Rate of Interest scheme for amounts up to seventy thousand rupees. This is possible because the DRI scheme is specifically designed to provide low-cost financial assistance at four percent interest to economically marginalized groups. This combination of programs ensures that the poorest households can afford the credit needed for construction.

104. (C) Assertion (A) is true, but Reason (R) is false.
The NCGTC has the authority to increase the credit guarantee cover for skill loans beyond the standard seventy-five percent in Left-Wing Extremism affected areas to promote development. However, the reason stating the guarantee fee is one point five percent is false. The maximum nominal guarantee fee charged by the trust is actually capped at zero point five percent of the total outstanding loan amount.

105. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Loans from banks to Housing Finance Companies qualify for priority sector classification if they are used for individual home loans up to twenty lakh rupees. This classification is contingent upon the HFC being approved by the National Housing Bank for refinance. This regulatory link ensures that the funds are being routed through verified and stable financial intermediaries dedicated to housing finance development.

106. (A) Yes, he is eligible as his KCC limit is below ₹ 50,000 and his family income is below ₹ 10,000.
Ramesh's eligibility for rural housing assistance is determined by specific asset and income thresholds. His Kisan Credit Card limit of forty-five thousand rupees is below the fifty thousand rupee exclusion mark. Additionally, his family's monthly income of nine thousand rupees falls below the ten thousand rupee cap. Since he does not meet any other exclusion criteria, he qualifies for the scheme.

107. (B) ₹ 1,20,000
Since Ramesh is constructing his house in a plain area, he is entitled to the standard financial assistance provided by the central and state governments. For such geographical regions, the PMAY-G scheme provides a fixed unit assistance of one lakh twenty thousand rupees. This fund is meant to ensure that the beneficiary can construct a durable and permanent dwelling unit for their family.

108. (B) ₹ 70,000
In addition to the direct financial assistance provided for construction, PMAY-G includes a mechanism to facilitate further credit from banks. Beneficiaries like Ramesh who want to improve their house fixtures or size can be facilitated to avail an institutional loan of up to seventy thousand rupees. This allows for flexibility in construction while leveraging institutional finance at potentially concessional interest rates.

109. (B) Within 12 months from the date of the sanction letter.
To ensure the timely completion of housing projects and efficient use of government funds, PMAY-G sets strict construction timelines. Once Ramesh receives his official sanction letter in January, he is required to complete the construction of his house within twelve months. This deadline encourages rapid progress and ensures that the rural housing targets are met within the planned fiscal periods.

110. (D) 15%
For education loans exceeding four lakh rupees for studies at international universities, banks

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CHAPTER 17

RBI Initiatives on Financial Inclusion, Financial Education & Poverty Reduction Programs

May/June 2016

1. What is the core rationale for recommending the convergence of objectives of various employment generation and skill development programs like NRLM, NULM, and PMKVY?
(A) To reduce the operational costs of the National Skill Development Mission
(B) To ensure that sustainable livelihood generation brings people out from the clutches of poverty
(C) To mandate the opening of current accounts for all unemployed youth
(D) To transfer the administrative control of these programs entirely to the Reserve Bank of India

Oct/Nov 2009

2. How is Financial Literacy defined in the context of the National Strategy for Financial Education?
(A) The provision of an absolute regulatory guarantee of high capital returns on all personal and institutional investments made by citizens.
(B) The mandatory regulatory requirement compelling all consumers to purchase a minimum amount of non-life insurance products annually.
(C) A set of knowledge, skills, and behaviors necessary to make sound financial decisions and achieve individual financial wellbeing.
(D) The process of exclusively opening Basic Savings Bank Deposit Accounts for every adult member of a household without further services.

May/June 2023

3. The National Strategy for Financial Inclusion (NSFI) envisions making financial services available, accessible, and affordable in a safe and transparent manner. What is the fundamental outcome this strategic objective aims to support?
(A) Exclusively rural infrastructure development
(B) Elimination of all informal lending mechanisms within a year
(C) Inclusive and resilient multi-stakeholder led growth
(D) Complete digitalization of all cooperative banks

Oct/Nov 2018

4. Arrange the following milestones in chronological order:
I Release of India's first National Strategy for Financial Education (NSFE)
II Formal account ownership in India reaching 80 percent
III Implementation period of the revised NSFE focusing on advancement of intermediary skills
Which is the correct sequence?
(A) (I), (II), (III)
(B) (II), (I), (III)
(C) (I), (III), (II)
(D) (III), (I), (II)

May/June 2007

5. Consider the following statements regarding the action plans for effective coordination:
I The various fora under the Lead Bank Scheme should be strengthened to ensure achievement of the strategy at the ground level.
II Technology should be completely avoided in stakeholder coordination to maintain manual checks and balances.
III A decentralized approach to planning should be encouraged by creating a forum

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is not required for all loans; it is generally waived for amounts up to four lakh rupees.

84. (A) (I) and (II) only
Housing loans qualify for priority sector status based on specific loan and property cost caps that vary by location. In metros, the loan limit is thirty-five lakhs for houses costing forty-five lakhs, while other centers have limits of twenty-five and thirty lakhs respectively. However, for government-sponsored slum clearance projects, the unit carpet area must not exceed sixty square meters to be eligible.

85. (A) (I) and (II) only
NABARD significantly contributes to the Swachh Bharat Mission-Gramin by providing loans to the National Centre for Drinking Water, Sanitation and Quality. It also promotes public health by conducting thousands of Sanitation Literacy Programs aimed at changing hygiene attitudes. While it supports rural development, it does not manage the PMVLK portal, which is a centralized IT platform for educational financial aid.

86. (A) (I), (II), and (III) only
The identification of PMAY-G beneficiaries is conducted by the Gram Sabha using data from the 2011 Socio-Economic and Caste Census. Once selected, these individuals receive technical assistance for house construction to ensure structural quality. Critically, all financial assistance is transferred directly into the beneficiary's bank or post office account via Direct Benefit Transfer, rather than being handed over in cash.

87. (D) (I), (II), and (III) only
Education loans cover essential academic costs such as examination, library, and laboratory fees. They also provide passage money for students studying abroad and funds for purchasing a computer if it is required for the course. However, the purchase of a motor vehicle for daily commuting is not an eligible expense. This focus ensures that funds are used primarily for educational and living requirements.

88. (D) (I), (II), (III), and (IV)
The NCGTC provides a comprehensive guarantee for the Skill Loan Scheme, generally covering seventy-five percent of the outstanding amount. Banks pay a nominal fee of zero point five percent for this cover and can choose whether to recover this cost from the borrower. In special regions like the North East or LWE-affected areas, the percentage of the guarantee cover may be increased by the trust.

89. (D) (I), (II), (III), and (IV)
Banks can issue long-term bonds with a minimum maturity of seven years to fund infrastructure and affordable housing. The liabilities from these bonds are excluded from NDTL calculations for CRR and SLR purposes, subject to specific regulatory ceilings. If a bank acquires such loans from other institutions, it must seek prior RBI approval to include them for these regulatory incentives.

90. (C) (I), (II), and (III) only
Households are excluded from PMAY-G if they possess assets like motorized two-wheelers or have a monthly income exceeding ten thousand rupees. Additionally, a Kisan Credit Card with a limit of fifty thousand rupees or more triggers exclusion. However, owning one point five acres of irrigated land without any irrigation equipment does not meet the threshold for disqualification, allowing the family to remain eligible.

91. (A) (I), (II), (III), and (IV) only
PMAY-G dwelling units must be at least twenty-five square meters, and hilly states receive one lakh thirty thousand rupees in assistance. The scheme also provides twelve thousand rupees for toilets through convergence and requires completion within twelve months of sanction. Beneficiaries are not barred from the DRI scheme; in fact, they are specifically encouraged to use it for institutional loans up to seventy thousand rupees.

92. (B) (I), (II), (III), and (IV) only
The IBA model scheme suggests limits of ten lakhs for India and twenty lakhs for abroad, with no margin required for loans up to four lakhs. For priority sector classification, the limit is twenty lakhs regardless of the total sanction. While repayment can span fifteen years, banks are prohibited from charging any prepayment penalties if the borrower chooses to close the loan early.

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(D) The architecture for customer on-boarding should move towards an increasingly digital and consent-based framework.

May/June 2005

13. A public sector bank plans to enhance financial literacy in a rural district. Following the '5 C' approach, it partners with local self-help groups and Gram Panchayats to deliver tailored financial messaging. Which specific element of the '5 C' approach is the bank primarily executing in this scenario?
(A) Community
(B) Content
(C) Capacity
(D) Communication

Oct/Nov 2022

14. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Financial Education and Financial Literacy are not identical concepts, though they are closely related.
Reason (R): People achieve Financial Literacy through the process of Financial Education.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2018

15. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): India's demographic advantage can be leveraged to ensure inclusive growth through a vibrant financial system.
Reason (R): Financial inclusion is a demand-side intervention that forces institutional players to provide avenues for the poor.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2016

16. The National Strategy for Financial Inclusion (NSFI) 2019-2024 has been prepared by the Reserve Bank of India under the aegis of which of the following committees?
(A) Financial Inclusion Advisory Committee
(B) Technical Committee on Financial Literacy
(C) National Board for Financial Inclusion
(D) Steering Committee on Rural Development

May/June 2014

17. An individual wishes to lodge a grievance regarding a digital payment failure. As per the customer protection strategy, which framework is proposed to facilitate a seamless resolution collectively by all stakeholders?
(A) A robust customer grievance portal or mobile app acting as a common resolution interface.
(B) A physical suggestion and grievance box placed in all Gram Panchayats and rural post offices for manual processing.
(C) A mandatory court filing requirement for every failed digital transaction or electronic payment error regardless of the amount.
(D) Disabling the customer's financial account temporarily to conduct a thorough physical audit of all recent electronic transactions.

Oct/Nov 2007

18. Match the items in List I with those in List II.
List I: (NSFI Strategic Pillar)
P. Universal Access to Financial Services
Q. Providing Basic Bouquet of Financial Services
R. Access to livelihood and skill development
S. Financial Literacy and Education
List II: (Action Plan)
1. Develop modules through National Centre for Financial Education (NCFE)
2. Share details of account holders willing to undergo skill development with relevant centres
3. Increase banking outlets within a 5 km radius in hilly areas
4. Enroll every willing adult under PMJJBY

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actively involving Gram Panchayats.

Which of the above statements are correct?

(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

Oct/Nov 2025

6. Which underlying concept is most accurately aligned with the 'Capacity' element of the '5 C' approach for financial education?

(A) Expanding the physical bandwidth of server farms for digital transactions.
(B) Developing the skills of intermediaries involved in providing financial services.
(C) Increasing the loan limits sanctioned to Micro and Small Enterprises.
(D) Amplifying the capital base of Regional Rural Banks.

May/June 2012

7. Financial exclusion is best defined as:

(A) The inability of major financial institutions to extend credit facilities to prospective borrowers due to systemic capital constraints and liquidity risks.
(B) The state where vulnerable groups lack access to formal financial services, forcing them toward informal options.
(C) The implementation of regulatory restrictions on specific rural populations from accessing national digital payment platforms and electronic banking.
(D) The institutional process of strictly limiting priority sector lending activities to only rural branches while excluding semi-urban areas.

Oct/Nov 2014

8. Identify the incorrect statement concerning the objectives laid down for the period 2020-25 regarding financial education.

(A) It aims to inculcate essential financial literacy concepts among youth to ensure they acquire financial management as an important life skill.
(B) It aims to replace all informal lending mechanisms with formal credit institutions.
(C) It aims to encourage active and informed participation in various financial markets to help individuals achieve their long-term financial goals.
(D) It plans for sustainable old age and retirement through the widespread coverage of suitable pension and social security products.

May/June 2019

9. In 2017, the proportion of adults with a formal account in India rose to what percentage?

(A) 35 percent
(B) 80 percent
(C) 53 percent
(D) 95 percent

Oct/Nov 2006

10. Which of the following pairs correctly matches the stakeholder with its financial literacy initiative?

(A) NCFE - Special camps booklet capturing the fundamental tenets of financial wellbeing
(B) RBI - Conducting National Financial Literacy Assessment Test (NFLAT)
(C) SEBI - Embarked on a mass media campaign giving relevant messages to investors
(D) IRDAI - Launched Pension Sanchay website

May/June 2021

11. Identify the incorrect statement regarding the Direct Benefit Transfer (DBT) initiatives.

(A) The JAM trinity initiative plugs leakages of government subsidies.
(B) Aadhaar provides a unique identity and is useful in targeting intended beneficiaries.
(C) Electronic Payment Framework for DBT was laid down in February 2015.
(D) RBI advised banks to avoid opening new accounts in camp mode for DBT beneficiaries.

Oct/Nov 2010

12. Identify the incorrect statement regarding the action plans for Universal Access to Financial Services.

(A) Outreach of banking outlets should be increased to provide banking access to every village within a 5 km radius or hamlet of 500 households in hilly areas.
(B) Financial service providers are encouraged to leverage fintech developments to strengthen outreach through virtual modes.
(C) The ecosystem for various modes of digital financial services should be strengthened exclusively in Tier I centres to create a cashless society.

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III Leveraging Community-led models
IV Enhancing Collaboration among stakeholders

Which of the above statements represent the correct components?
(A) (I), (II), and (III)
(B) (II), (III), and (IV)
(C) (I), (III), and (IV)
(D) (I), (II), (III), and (IV)

Oct/Nov 2005

26. Which of the following statements is correct regarding the approach for the preparation of the National Strategy for Financial Inclusion (NSFI) 2019-2024?
(A) It was developed solely based on the inputs from the Ministry of Finance without regulatory consultations.
(B) It explicitly excludes corporate business correspondents from the consultation process to prevent conflict of interest.
(C) It replaces all prior monetary policy measures aimed at poverty alleviation.
(D) It incorporates inputs from the Government of India, SEBI, IRDAI, PFRDA, and other market players like NABARD and NPCI.

May/June 2020

27. Match the items in List I with those in List II.
List I: (Regulatory Body)
P. NCFE
Q. IRDAI
R. PFRDA
S. SIDBI
List II: (Educational Initiative)
1. Launched Samriddhi, a virtual assistance portal
2. Conducts National Financial Literacy Assessment Test (NFLAT)
3. Launched Pension Sanchay website
4. Launched Young corner – a six game featurette
(A) P-2, Q-4, R-3, S-1
(B) P-4, Q-2, R-1, S-3
(C) P-2, Q-3, R-4, S-1
(D) P-3, Q-1, R-2, S-4

Oct/Nov 2015

28. Identify the incorrect pair regarding the initiatives of stakeholders for financial education.
(A) NABARD - Bankability kit for MSE entrepreneurs hosted in its portal
(B) PFRDA - Conducts Annuity literacy program in coordination with NPS Trust
(C) NPCI - Disseminating digital payment literacy to corporate employees and beneficiaries
(D) IRDAI - Print campaign cautioning the general public about spurious callers

May/June 2013

29. Consider the following initiatives:
I Financial literacy guide, financial diary, and a set of 16 posters.
II Public awareness campaign launched through press releases and tweeted on social media.
III Advertisements on BSBDA and safe digital banking for senior citizens.
IV Money Smart School Program (MSSP).
V Special camps booklet prepared for newly inducted people into the financial system.

Which of the above initiatives were specifically pursued by the RBI?
(A) (I), (II), and (III)
(B) (I), (IV), and (V)
(C) (II), (III), and (IV)
(D) (I), (II), (III), and (V)

Oct/Nov 2021

30. In the context of the National Strategy for Financial Education, how are supply-side and demand-side interventions categorized?
(A) Financial inclusion is a demand-side intervention, while financial education is a supply-side intervention.
(B) Both financial inclusion and financial education are strictly supply-side interventions.
(C) Both financial inclusion and financial education are strictly demand-side interventions.
(D) Financial inclusion is a supply-side intervention, while financial education is a demand-side intervention.

May/June 2024

31. An SHG eligible for a Cash Credit Limit (CCL) under DAY-NRLM applies for its first-year drawing power. Its existing corpus is ₹15,000. According to the calculation norms, what is the minimum drawing power (DP) the bank is advised to sanction for the first year?

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(C) P-1, Q-3, R-2, S-4
(D) P-3, Q-4, R-1, S-2

Oct/Nov 2010

58. Which of the following correctly pairs the Term Loan dose with its repayment schedule under DAY-NRLM?
(A) Second dose - Repaid in 36-48 months
(B) First dose - Repaid in 12-24 months
(C) Third dose - Repaid in 24-36 months
(D) Fourth dose onwards - Repaid between 48-60 months

May/June 2007

59. An urban poor individual applies for a micro-enterprise loan under DAY-NULM (SEP-I). The project cost is ₹1,50,000. How much margin money is the bank permitted to demand from the applicant?
(A) 10% of the project cost
(B) No margin money should be taken
(C) 5% of the project cost
(D) 20% of the project cost

Oct/Nov 2020

60. Identify the incorrect statement regarding the role of SLBC/DCC/BLBC fora under DAY-NRLM.
(A) SLBCs shall constitute a sub-committee on SHG bank linkage.
(B) The DCC shall regularly monitor the flow of credit to SHGs at the state level only.
(C) The BLBC shall take up issues of SHG-bank linkage at the block level.
(D) SHGs/Federations of the SHGs should be included as members to raise their voice in the BLBC forum.

May/June 2025

61. A farmer in a calamity-affected area awaits an insurance claim. The bank needs to sanction a fresh crop loan for the upcoming season. According to guidelines, should the bank wait for the insurance proceeds before granting the fresh loan?
(A) Yes, fresh loans cannot be sanctioned until all old outstanding dues are fully settled via insurance proceeds or personal funds.
(B) Yes, unless the farmer provides additional physical collateral security to cover the risk of the existing defaulted crop loan.
(C) No, banks should grant fresh loans without waiting for the receipt of the insurance claim.
(D) No, but the fresh loan must be strictly capped at a value not exceeding 50% of the projected insurance claim settlement.

Oct/Nov 2017

62. Consider the following schemes designed to benefit SC/ST target groups:
I DAY-NRLM ensures 50% of beneficiaries are SC/STs.
II DAY-NULM extends advances to SCs/STs to the extent of their strength in the local population.
III DRI Scheme grants loans up to ₹15,000 at a 4% interest rate.
IV CEGSSC provides credit enhancement guarantee to Member Lending Institutions financing SC entrepreneurs.
V Members of SCs/STs under DRI cannot avail of a housing loan.
Which of the above statements are correct?
(A) (I), (II), (III), and (IV)
(B) (II), (III), IV, and (V)
(C) (I), (III), IV, and (V)
(D) (I), (II), IV, and (V)

May/June 2011

63. Identify the incorrect statement regarding the restructuring of short-term production credit (crop loans) in natural calamities.
(A) Overdue short-term loans at the time of calamity - Eligible for automatic restructuring
(B) Crop loss between 33% and 50% - Maximum repayment period up to 2 years
(C) Crop loss 50% or more - Maximum repayment period up to 5 years
(D) All cases of restructuring - Moratorium period of at least one year

Oct/Nov 2018

64. For Small Finance Banks, the priority sector lending target is mandated at what percentage of their Adjusted Net Bank Credit (ANBC)?
(A) 40%
(B) 50%
(C) 75%
(D) 100%

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Oct/Nov 2012

38. Consider the following procedures regarding the selection of beneficiaries under DAY-NULM SEP:

I The application for enterprise loans will be sponsored by the Urban Local Body (ULB).
II Beneficiaries can submit an intent on a plain paper to the ULB.
III The ULB guarantees the bank against any default by the sponsored beneficiaries.
IV A Task Force constituted at the ULB level scrutinizes the applications based on experience and viability.

Which of the above statements are correct?
(A) (I), (II), and (IV)
(B) (II), (III), and (IV)
(C) (I), (III), and (IV)
(D) (I), (II), and (III)

May/June 2011

39. Arrange the following steps in the procedure for interest subsidy to banks under DAY-NULM in the correct chronological sequence:

I ULB checks data and releases interest subsidy amount to the banks
II Disbursement of loan to beneficiaries by the branch
III Bank submits details of disbursed loan cases along with interest subsidy amount to ULB

Which is the correct sequence?
(A) (II), (III), (I)
(B) (I), (II), (III)
(C) (III), (I), (II)
(D) (II), (I), (III)

Oct/Nov 2020

40. Under the DAY-NRLM Term Loan facility, how is the loan amount structured over time?
(A) It is provided as a single lump-sum payment that cannot be renewed or enhanced by the bank at any stage.
(B) It is issued solely based on the real estate assets pledged by the SHG members as secondary collateral security.
(C) It diminishes in maximum value with each subsequent dose to reduce the bank's overall risk of capital loss.
(D) It is sanctioned in progressive doses based on multiples of the corpus and the Micro credit plan.

May/June 2022

41. For assessing crop loss to declare a natural calamity and trigger relief measures, the common thread in different States is that the crop loss assessed should be at least:
(A) 20%
(B) 33%
(C) 25%
(D) 50%

Oct/Nov 2023

42. What is the primary purpose of opening a Current Account for Producer Groups (PGs) under DAY-NRLM?
(A) To strictly isolate their funds from the Gram Panchayat.
(B) To allow them to invest directly in equity derivative markets.
(C) To facilitate collective production and marketing for their produce.
(D) To automatically convert their savings into fixed deposits.

May/June 2024

43. Regarding the training requirements under DAY-NULM, all of the following are correct, except:
(A) Financial assistance and credit facilities should be extended only after the beneficiary has acquired the required technical skills.
(B) Training is mandatory even if the beneficiary has already undergone training from a registered NGO.
(C) The Urban Local Body will arrange to conduct a formal Entrepreneurship Development Program (EDP) for a period of 3-7 days.
(D) Follow-up entrepreneurial support and technical guidance should preferably be conducted once every six months for beneficiaries.

Oct/Nov 2011

44. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Under DAY-NRLM, non-willful defaulters of an SHG should not be debarred from receiving loans.
Reason (R): In case default is due to genuine

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Oct/Nov 2023

84. A partnership firm has three partners, two of whom belong to a specified minority community. The firm applies for a commercial advance. According to guidelines, how should the bank classify this advance?

(A) It cannot be classified as a minority advance under any circumstances unless all partners belong to the minority community.

(B) It must be classified solely under standard corporate lending protocols without any specific minority community designation or tag.

(C) It is treated as an advance to minority communities because the majority of partners belong to them.

(D) It requires a formal legal clearance and verification from the Ministry of Minority Affairs before the loan can be sanctioned.

May/June 2015

85. A branch manager evaluates a loan application from an ST beneficiary under a poverty alleviation program. Finding the projected cash flow slightly weak, the manager decides to reject the application. What procedural mandate must the manager follow according to guidelines?

(A) Reject the application immediately and inform the national regulator via the integrated social welfare portal.

(B) Ask the applicant to provide a liquid collateral deposit equivalent to the requested loan amount plus interest charges.

(C) Forward the rejection decision to the next higher level, clearly indicating the valid reasons for the refusal.

(D) Re-route the entire application to the District Collector and local revenue authorities for a final administrative decision.

Oct/Nov 2008

86. A farmer's standing crops suffer 60% loss due to a severe flood. The farmer has an existing short-term crop loan that is not overdue. The bank decides to restructure the loan. What is the maximum extended repayment period (including moratorium) the bank can offer?

(A) 2 years

(B) 5 years

(C) 3 years

(D) 7 years

May/June 2021

87. What is the designated role of the Lead Bank officer appointed exclusively in minority concentration districts?

(A) To act as the sole and final approving authority for all minority loan applications and disbursements within the entire district.

(B) To resolve credit flow problems, publicize bank schemes, and prepare suitable credit projects with branch managers.

(C) To conduct a mandatory legal and procedural audit of all rejected applications submitted by minority community applicants.

(D) To transfer welfare funds directly from the State Minority Commission to the beneficiaries' accounts via an automated system.

Oct/Nov 2012

88. In the context of natural calamity declarations in various States, what does the term 'Annewari' or 'Paisewari' refer to?

(A) A rural tax levied on crop production.

(B) An eye estimate or percentage of crop loss assessed.

(C) A specific premium paid for crop insurance.

(D) A penal interest rate applied on defaulted loans.

NODIA

May/June 2024

89. An SC entrepreneur holding a 55% share in a registered partnership firm requires a loan to boost the business. The bank sanctions the loan and seeks guarantee cover under the CEGSSC. Which entity acts as the Nodal Agency to issue the guarantee cover in favor of the bank?

(A) Reserve Bank of India (RBI)

(B) IFCI Ltd.

(C) National Scheduled Castes Finance & Development Corporation

(D) SIDBI

Oct/Nov 2010

90. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.

Assertion (A): Banks are prohibited from levying any penal interest on current dues in default in areas affected by natural calamities.

Reason (R): Banks are expected to take a

What happens to subvention amounts that are not settled during the financial year?
(A) They are permanently forfeited.
(B) They are converted into state fiscal deficit.
(C) They are directly deducted from the bank's priority sector lending targets.
(D) No subvention amount remains overdue or pending with the States.

Oct/Nov 2024

52. Consider the following eligibility criteria for SHGs to avail loans under DAY-NRLM:
I SHGs should be in active existence at least since the last 6 months as per their books of account.
II SHGs should be practicing 'Panchasutras'.
III Defunct SHGs are permanently barred from receiving any credit.
Which of the above statements are correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

May/June 2008

53. In a DAY-NRLM SHG, two members are identified as willful defaulters. The group seeks a bank loan for financing economic activities. How should the bank deal with this application?
(A) Deny the credit facility to the entire Self Help Group immediately due to the default of some members.
(B) Grant the loan to the entire group but at a significantly higher penal interest rate of 24% per annum.
(C) Finance the group excluding the willful defaulters, ensuring they do not benefit from the loan.
(D) Restructure the existing defaults into the new loan amount to ensure the group maintains credit eligibility.

Oct/Nov 2007

54. Consider the following statements regarding Group Enterprises (SEP-G) under DAY-NULM:
I The group must have a minimum of three members with at least 70% from urban poor families.
II More than one person from the same family is allowed to be included in the same group.
Which of the above statements is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2012

55. A Task Force under DAY-NULM recommends an application for an individual micro-enterprise. The application is forwarded to the bank. What is the prescribed time frame within which the bank must process these recommended cases?
(A) 15 days
(B) 7 days
(C) 30 days
(D) 45 days

Oct/Nov 2009

56. A newly formed SHG under DAY-NRLM approaches a bank branch for credit linkage. While the savings account was opened with KYC of only the office bearers, the branch manager insists on fresh KYC for all members before sanctioning the credit linkage. As per guidelines, is the branch manager's demand justified?
(A) No, KYC of all members cannot be made a prerequisite for credit linkage of SHGs.
(B) Yes, credit linkage strictly mandates complete KYC documentation for every individual SHG member in all cases.
(C) No, credit linkage requires the submission of KYC documents for only the village Sarpanch and local authorities.
(D) Yes, but only if the loan amount exceeds a specific threshold of ₹10 lakh as per standard banking protocol.

May/June 2013

57. Match the items in List I with those in List II.
List I: (Parameter)
P. Maximum unit project cost for individual micro-enterprise
Q. Minimum age of group enterprise member
R. Repayment schedule range for group loans
S. Additional interest subvention for eligible WSHGs
List II: (Specification)
1. 18 years
2. 3%
3. ₹2,00,000
4. 5 to 7 Years
(A) P-3, Q-1, R-4, S-2
(B) P-4, Q-2, R-1, S-3

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(A) ₹15,000
(B) ₹90,000
(C) ₹1,00,000
(D) ₹2,00,000

Oct/Nov 2008

32. Consider the following statements regarding the pattern of financial assistance under DAY-NULM:

I Interest subsidy over and above 7% rate of interest will be available on bank loans.
II Interest subsidy is given irrespective of timely repayment.
III An additional 3% interest subvention is provided to all Women Self Help Groups (WSHGs) who repay in time.
IV Subsidy claims are submitted and settled on a quarterly basis only.
V Interest subsidy is subject to timely repayment as per the loan repayment schedule.

Which of the above statements are correct?
(A) (I), (III), and (V)
(B) (II), (IV), and (V)
(C) (I), (II), and (III)
(D) (III), (IV), and (V)

May/June 2006

33. Consider the following statements regarding the opening of savings bank accounts for SHGs under DAY-NRLM:

I KYC verification of all members of the SHG is mandatory at the time of opening the savings bank account.
II Customer Due Diligence (CDD) of only the office bearers shall suffice for opening the account.

Which of the above statements is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2017

34. In the context of the NULM SHG Bank Linkage Program, what constitutes the primary mechanism utilized by the ULB to facilitate access to the Revolving Fund (RF)?
(A) Direct cash handouts and grants issued from the State Government revenue for the maintenance of group assets.
(B) Mandating commercial banks to waive all interest rates on housing loans and urban micro-enterprise infrastructure.
(C) Issuing municipal revenue bonds to generate funds for individual enterprises and urban livelihoods development projects.
(D) Groundwork to open bank accounts for SHGs and engaging Resource Organizations to facilitate financial access.

May/June 2008

35. Which statement correctly describes the security and margin norms under DAY-NRLM?
(A) No collateral and no margin would be charged up to ₹10.00 lakh limit to the SHGs.
(B) Margin money of 10% must be taken for loans exceeding ₹1 lakh.
(C) Collateral is strictly required for loans above ₹5 lakh.
(D) A lien should automatically be marked against the savings bank account of the SHG.

NODIA

Oct/Nov 2013

36. Which of the following is correct regarding Technology, Marketing and other support under NULM?
(A) CLCs provide support in establishment, production, processing, and long term sustainability.
(B) City Livelihoods Centers (CLCs) are prohibited from offering legal accounting services.
(C) Only individual enterprises can avail services from CLCs, excluding group enterprises.
(D) CLCs operate independently and cannot tie up with other government schemes.

May/June 2015

37. A Lead District Manager notices low enrollment of welfare benefits in a block. To facilitate DBT delivery by direct credit, bank branches are advised to take specific actions. Which action should the branch manager prioritize?
(A) Seed existing accounts or new accounts opened with Aadhaar numbers.
(B) Close all accounts that do not have a PAN card linked.
(C) Reject all applications that arrive via local government authorities.
(D) Charge a penalty for opening accounts in camp mode.

May/June 2017

65. Large-scale riots have broken out in a district. The State Administration is unable to identify all affected persons. A borrower approaches the bank for rehabilitation assistance. Under guidelines for riots/disturbances, who bears the onus of identifying the 'genuine persons' if the State Administration cannot?
(A) The lending banks
(B) The District Collector
(C) The Reserve Bank of India
(D) The State Police Department

Oct/Nov 2016

66. How frequently is the data regarding the volume of minority community lending furnished by banks to the RBI and relevant Ministries?
(A) Half-yearly basis (ending March and September).
(B) Weekly basis through a centralized electronic reporting system.
(C) Annually at the end of the financial year.
(D) On a quarterly basis during the SLBC meeting only.

May/June 2010

67. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Divisional/Zonal Managers of banks should be vested with certain discretionary powers during a natural calamity.
Reason (R): This prevents delays caused by seeking fresh approvals from their Central Offices/Boards for actions like restructuring loans or sanctioning new ones.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2019

68. Consider the following statements regarding the operational aspects of stepping up credit to SCs/STs:
I Banks shall insist on deposits while considering loan applications under Government sponsored poverty alleviation schemes.
II Rejection of loan applications in respect of SCs/STs shall be done at the next higher level instead of at the branch level.
Which of the above statements is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2023

69. Identify the incorrect statement regarding the monitoring and review of credit flow to SCs/STs.
(A) SLBC convenor banks cannot invite representatives of the National Commission for SCs/STs to their meetings.
(B) Banks must establish and maintain a special cell at their Head Office for the continuous monitoring of credit flow.
(C) The Head Office undertakes a periodical review of the credit extended to beneficiaries based on the returns from branches.
(D) The progress made in lending to these communities is considered directly or through various State Level Development Corporations.

Oct/Nov 2008

70. A borrower's original land title deeds were destroyed in a severe flood. The borrower requests a fresh loan for rehabilitation. The bank requires land security. According to the guidelines, what acceptable alternative proof can the bank rely upon?
(A) An affidavit signed only by the borrower without any official seal.
(B) A letter from the local police station confirming the flood.
(C) A certificate issued by the Revenue Department officials proving the title.
(D) The bank must deny the loan until duplicate deeds are reconstructed.

May/June 2020

71. Identify the incorrect statement regarding the Margin Money Scheme of the National Minorities Development and Finance Corporation (NMDFC).
(A) Bank finance under the Margin Money Scheme is up to 60% of the project cost.

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reasons, banks may follow norms suggested for restructuring the account with a revised repayment schedule.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2018

45. Under DAY-NULM guidelines, a bank reviews an SHG's term loan for prompt repayment status. What is the maximum delay allowed from the due date to still be considered an account having "prompt payment"?

(A) 15 days
(B) 60 days
(C) 30 days
(D) 90 days

Oct/Nov 2005

46. Under the Direct Benefit Transfer monitoring framework, SLBC Convenor Banks and Lead Banks are required to do all of the following, except:

(A) Institute a monitoring and review mechanism to periodically assess DBT implementation progress.
(B) Halt all non-DBT related credit operations until DBT targets are fully achieved.
(C) Place an agenda at regular intervals for discussion in the meetings of SLBC and DCC.
(D) Submit a monthly return to the respective regional offices of RBI detailing district-wise progress.

May/June 2015

47. A group of 6 eligible urban poor members applies for a group enterprise loan (SEP-G) under DAY-NULM. What is the maximum loan amount the group as a whole is eligible for?

(A) ₹2 Lakh
(B) ₹10 Lakh
(C) ₹12 Lakh
(D) ₹20 Lakh

Oct/Nov 2021

48. Match the items in List I with those in List II regarding the SHG Bank Linkage Program (NRLM).

List I: (Year of CCL)
P. First Year
Q. Second Year
R. Third Year
S. Fourth Year onwards

List II: (Prescribed Drawing Power Calculation)
1. 8 times of the corpus or minimum of ₹2 lakh, whichever is higher
2. Minimum of ₹6 lakh based on Micro credit plan
3. Above ₹6 lakh based on Micro credit plan
4. 6 times of the existing corpus or minimum of ₹1 lakh, whichever is higher

(A) P-1, Q-2, R-3, S-4
(B) P-4, Q-1, R-2, S-3
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-4, R-1, S-3

May/June 2005

49. Under the procedure for the settlement of claims for interest subsidy in DAY-NULM, what is the role of the Nodal Agency?

(A) It consolidates data from branches and transfers the interest subsidy through the Direct Benefit Transfer mode.
(B) It directly disburses the entire loan amount in cash to the individual beneficiaries at the local municipal office.
(C) It provides a 100% collateral guarantee for all micro-enterprise loans sanctioned by nationalized and private banks.
(D) It assumes the total credit risk and liability for all micro-enterprise loans granted under the Self Employment Program.

Oct/Nov 2012

50. Under the DAY-NULM Self Employment Program (SEP), what percentage of the physical and financial targets must be earmarked for minority communities?

(A) At least 5 percent
(B) At least 30 percent
(C) At least 15 percent
(D) At least 50 percent

May/June 2021

51. The funding under the NULM SEP component is shared between the Centre and the States.

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(B) Muslims
(C) Jains
(D) Lingayats

Oct/Nov 2022

78. What is the primary consideration for a bank when deciding to extend fresh credit to an artisan or industrial unit for rehabilitation after a natural calamity?
(A) The exact amount of previous collateral lost in the calamity.
(B) The political recommendation from the District Collector.
(C) The immediate availability of central government subsidy.
(D) The viability of the venture as assessed by the bank.

May/June 2022

79. Match the items in List I with those in List II.
List I: (Scheme/Criteria)
P. DAY-NRLM coverage for SC/ST
Q. DRI Housing loan limit per beneficiary
R. DRI Land holding eligibility for SC/ST
S. CEGSSC guarantee cover minimum amount
List II: (Provision)
1. Not applicable
2. ₹20,000
3. 50%
4. ₹0.15 crore
(A) P-3, Q-2, R-1, S-4
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-4, R-1, S-3

Oct/Nov 2014

80. In the context of the Planning Process for credit to SCs/STs, what specific approach is recommended for village adoption?
(A) Adopting only those rural villages that have a zero default rate and high historical credit repayment scores.
(B) Avoiding villages with predominantly illiterate populations to minimize the administrative and legal burden on the bank.
(C) Adopting only urban wards and municipal divisions that fall under the existing NULM livelihood development scheme.
(D) Adopting specific localities in villages which have a high concentration of SC/ST communities.

May/June 2018

81. Consider the following measures recommended for the Lead Banks to promote credit flow in minority concentrated districts:
I Organize sensitization workshops for bank officials with the help of DDMs of NABARD.
II Utilize print media, TV channels, and stalls in Melas for publicity in local languages.
III Levy a higher interest rate to cover the perceived risk of illiterate borrowers.
Which of the above measures are correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

Oct/Nov 2015

82. Regarding the asset classification of loans restructured due to a natural calamity, consider the following statements:
I The restructured portion of the loans may be treated as current dues and need not be classified as NPA.
II Interest income from such restructured standard accounts will not be recognized under any circumstances.
III The remaining amount due which is not restructured will continue to be governed by the original terms and conditions.
Which of the above statements are correct?
(A) (I) and (II)
(B) (I) and (III)
(C) (II) and (III)
(D) (I), (II), and (III)

May/June 2006

83. Consider the following permissible ancillary relief measures banks may undertake in natural calamity areas:
I Resorting to non-documentary verification methods for KYC.
II Opening a small account based on a photograph and signature.
III Waiving ATM withdrawal limits and fees.
IV Operating from temporary premises under advice to the regulator.
Which of the above measures are correct?
(A) (I), (III), and (IV)
(B) (II), (III), and (IV)
(C) (I), (II), and (III)
(D) (I), (II), (III), and (IV)

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(B) NMDFC was established in September 1994 to promote economic activities for backward sections amongst minorities.
(C) The beneficiary contributes 25% of the project cost under the Margin Money Scheme.
(D) The State channelizing agency shares 10% of the project cost under the Margin Money Scheme.

Oct/Nov 2013

72. When a natural calamity totally damages a borrower's productive assets, the bank determines the rescheduling of the long-term agriculture loan. This decision is based on all of the following factors, except:
(A) The overall repaying capacity of the borrower.
(B) The borrower's caste or religious affiliation.
(C) The subsidies received from Government agencies.
(D) Compensation available under insurance schemes.

May/June 2014

73. Which of the following is correct regarding advances sanctioned to State-sponsored organizations of SC/ST?
(A) They are categorically excluded from all Priority Sector Advances and treated as standard commercial or corporate lending.
(B) They attract an automatic 10% interest subvention from the national regulator to reduce the cost of borrowing for the group.
(C) They require a mandatory and non-refundable 50% margin money deposit by the organization before the loan is sanctioned.
(D) They are treated as Priority Sector Advances if used for purchasing inputs and marketing outputs of beneficiaries.

Oct/Nov 2025

74. Match the items in List I with those in List II regarding asset classification during natural calamities.
List I: (Asset Classification Scenario)
P. Restructured portion of short-term loan
Q. Un-restructured remaining amount due
R. Additional finance granted
S. Second restructuring due to subsequent calamity
List II: (Regulatory Treatment)
1. Retains the same asset classification category as on the first restructuring
2. Treated as current dues and need not be classified as NPA
3. Treated as "standard asset"
4. Governed by original terms; classified under standard, substandard, doubtful, or loss
(A) P-1, Q-2, R-3, S-4
(B) P-3, Q-1, R-4, S-2
(C) P-2, Q-4, R-3, S-1
(D) P-4, Q-3, R-2, S-1

May/June 2009

75. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): A company cannot have its advances classified as those to specified minority communities.
Reason (R): A company possesses a separate legal entity distinct from its individual shareholders.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2006

76. Identify the incorrect statement regarding the declaration of a natural calamity.
(A) It is in the domain of the Sovereign (Central/State Governments).
(B) All States use identical uniform procedures and nomenclature (like 'annewari') for declaration.
(C) In extreme situations like wide-spread floods, SLBC/DCC can deliberate relief based on eye estimates.
(D) SLBC/DCC must satisfy themselves fully that crop loss is 33% or more before acting.

May/June 2019

77. As notified by the Ministry of Minority Affairs, GOI, all of the following are recognized as minority communities, except:
(A) Sikhs

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sympathetic view of the difficulties of the borrowers and extend concessional treatment.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2012

91. Match the items in List I with those in List II.

List I: (Stakeholder)
P. NABARD
Q. SIDBI
R. NPCI
S. PFRDA

List II: (Educational/Awareness Initiative)
1. Disseminating digital payment literacy on RuPay, IMPS, AePS, and USSD-99#
2. Project profiles covering over 40 industrial sectors hosted on Udyami Mitra
3. Organizing financial literacy awareness program (FLAPs) with mobile demo vans
4. Subscriber awareness programs through central record keeping agencies

(A) P-1, Q-2, R-3, S-4
(B) P-3, Q-2, R-1, S-4
(C) P-2, Q-4, R-1, S-3
(D) P-4, Q-3, R-2, S-1

Oct/Nov 2005

92. Consider the following advised measures for providing access to bank accounts and cash in calamity-affected areas:

I Operating from temporary premises beyond 30 days without any specific approval.
II Setting up satellite offices, extension counters, or mobile banking facilities under intimation to the regulator.
III Putting in place arrangements for allowing customers to access other ATM networks.

Which of the above measures are correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

May/June 2005

93. Consider the following criteria defining the eligibility and parameters of the Differential Rate of Interest (DRI) Scheme:

I People with annual income of ₹18,000 in rural areas and ₹24,000 in urban areas can avail the scheme.
II Land holding should not exceed 1 acre of irrigated land and 2.5 acres of unirrigated land.
III The scheme provides individual loans up to ₹15,000 at a 4% interest rate.
IV Land holding size criteria are strictly applied to SCs/STs without exemption.

Which of the above statements are correct?
(A) (I), (II), and (IV)
(B) (II), (III), and (IV)
(C) (I), (II), and (III)
(D) (I), (III), and (IV)

Oct/Nov 2011

94. What is the primary operational mechanism of the Credit Enhancement Guarantee Scheme for Scheduled Castes (CEGSSC)?

(A) Providing direct cash subsidies and grants to individual SC borrowers for personal consumption and household expenses.
(B) Mandating the national regulator to directly finance SC registered societies and community organizations without bank involvement.
(C) Providing a credit enhancement guarantee to Member Lending Institutions (MLIs) that finance SC entrepreneurs.
(D) Eliminating all interest rates and processing fees for SC students on educational loans for higher studies within the country.

May/June 2013

95. The Loan Application Form (LAF) utilized under the DAY-NULM SEP requires the collection of several details to analyze the economic status of the beneficiary. All of the following are valid components or actions associated with the LAF process, except:

(A) Filling of specific activity details, business location, and comprehensive identity proof as per the regulatory norms.
(B) Designing a unique LAF layout by the ULB without consulting the SLBC or other bank stakeholders.
(C) Collection of the applicant's Aadhaar

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number or providing necessary assistance in obtaining one for identification purposes.
(D) Usage of the collected demographic and financial data to analyze the overall impact of benefits at a later strategic stage.

Oct/Nov 2009

96. Which of the following describes the condition for "prompt payment" under DAY-NULM for a Cash Credit Limit to SHGs?
(A) There should be at least one customer induced debit or withdrawal transaction during each academic or financial quarter.
(B) The outstanding balance shall not exceed the sanctioned limit continuously for more than 30 days.
(C) Customer induced credits and deposits must fully cover the entire principal amount within a 15-day grace period.
(D) The account must never experience an unintentional overdraft of more than 10% of the average monthly balance held.

May/June 2011

97. An individual residing in a metropolitan centre (population of 15 lakh) applies for a housing loan to construct a dwelling unit. The overall cost of the dwelling unit is ₹40 lakh. The individual requests ₹30 lakh as a loan. Will this loan be treated as priority sector credit provided to a weaker section?
(A) No, because the overall cost exceeds the ₹30 lakh limit for metropolitan centres.
(B) No, because priority sector credit for housing is only applicable in rural areas.
(C) Yes, but only if the individual belongs to an SC/ST community.
(D) Yes, because the loan is up to ₹35 lakh and the overall cost does not exceed ₹45 lakh.

Oct/Nov 2007

98. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): In extreme situations like wide-spread floods, the decision to provide relief needs to be taken based on eye estimates/visual impressions.
Reason (R): It is physically impossible or severely delayed to conduct standard crop cutting experiments to estimate 'Annewari' under such widespread devastation.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2010

99. Identify the incorrect statement concerning credit facilities to minority communities.
(A) Communities such as Jains, Buddhists, and Sikhs are formally notified as minority communities under national regulatory guidelines.
(B) Banks must ensure 50% of their total priority sector lending is exclusively directed toward specified minority communities.
(C) The current target for lending to weaker sections is established at 12% of ANBC or Credit Equivalent of OBE.
(D) A company has a separate legal entity, hence its advances cannot be classified as specified minority community advances in reports.

Oct/Nov 2024

100. Consider the following statements regarding reporting procedures under DAY-NRLM:
I Banks must submit a state-wise consolidated report on progress to RBI/NABARD at quarterly intervals.
II The existing procedure of submitting LBR returns is to be discontinued immediately.
Which of the above statements is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2009

101. Under the Natural Calamities Portal developed by the regulator, what is the requirement if no natural calamity relief measures are extended in a particular month?
(A) A 'NIL' statement shall be uploaded by the 10th of the following month.
(B) The bank is exempted from logging into the portal for that month.
(C) The bank must submit a physical report to

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the Ministry of Finance.

(D) The SLBC Convenor Bank must declare a hypothetical calamity to maintain portal activity.

Oct/Nov 2013

102. In the Indian context, 'Financial Inclusion' is specifically defined as the process of:

(A) Ensuring access to affordable financial products and services needed by vulnerable groups in a transparent manner.

(B) Providing high-yield investment options and personalized wealth management services exclusively to high-net-worth individuals and families.

(C) Converting all existing rural cooperative banks into Small Finance Banks to align with national digital banking infrastructure standards.

(D) Mandating the usage of cryptocurrency and blockchain technology for all agricultural transactions and rural credit disbursement systems.

May/June 2019

103. Which statement correctly reflects the guideline on 'Guarantee, Security and Margin' for fresh loans in a natural calamity?

(A) Banks must always insist on third-party guarantees and additional liquid collateral before providing any debt conversion facilities.

(B) Accepting certificates issued by community authorities for land security in areas under the Sixth Schedule of the Constitution.

(C) If the value of existing security is significantly less than the new loan amount due to calamity erosion, the fresh loan must be denied.

(D) A borrower who is unable to furnish formal land title deeds as security for a converted crop loan must be denied the conversion facility.

Oct/Nov 2006

104. Consider the following statements regarding the Procedure for Interest Subsidy to banks under DAY-NULM:

I Scheduled commercial banks on the CBS platform are eligible for interest subvention.

II The ULB checks the monthly data and releases the interest subsidy amount to the banks.

III Banks can upload data for claims in XML file format on the designated portal.

IV SLBC is empowered to stop the scheme temporarily if claims are not settled for a period of 6 months.

V A private sector bank must act as the Nodal Agency at the national level.

Which of the above statements are correct?

(A) (I), (II), (III), and (IV)

(B) (II), (III), IV, and (V)

(C) (I), (II), IV, and (V)

(D) (I), (III), IV, and (V)

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May/June 2014

105. Match the items in List I with those in List II.

List I: (Loan Feature)

P. Minimum loan amount for SHG in third year (CCL)

Q. Maximum project cost for individual micro-enterprise

R. Moratorium period for repayment

S. Repayment schedule for fourth term loan dose

List II: (Program Specification)

1. ₹2,00,000 (NULM)
2. 60-84 months (NRLM)
3. 6-18 months (NULM)
4. ₹6 lakh (NRLM)

(A) P-1, Q-2, R-3, S-4

(B) P-2, Q-4, R-1, S-3

(C) P-4, Q-1, R-3, S-2

(D) P-3, Q-1, R-4, S-2

Oct/Nov 2017

106. According to guidelines on Poverty Alleviation Programs, the following advances shall be deemed as credit provided to weaker sections, except:

(A) Overdrafts availed by PMJDY account holders as per prescribed limits.

(B) Advances to venture capital funds operating in major metropolitan cities.

(C) Credit provided to beneficiaries of Differential Rate of Interest (DRI).

(D) Beneficiaries covered under the DAY-NRLM and DAY-NULM.

May/June 2007

107. All of the following statements regarding the Differential Rate of Interest (DRI) Scheme are correct, except:

(A) SC/ST members satisfying income criteria can avail an additional housing loan up to ₹50,000.
(B) The fixed interest rate charged for beneficiaries under this welfare scheme is consistently 4% per annum.
(C) Banks are permitted to provide individual loans up to a maximum amount of ₹15,000 to eligible borrowers.
(D) The land holding size criteria established under the scheme are not applicable to members of the SC/ST communities.

Oct/Nov 2016

108. Which statement correctly describes the expansion of the Direct Benefit Transfer (DBT) scheme?
(A) DBT was expanded in 2014, bringing schemes like MGNREGA across 300 identified districts.
(B) The Direct Benefit Transfer program was strictly confined only to the MGNREGA scheme throughout its entire operational lifecycle.
(C) The Electronic Payment Framework restricted transfers to cash components for collective groups and registered cooperatives only.
(D) The Direct Benefit Transfer Mission was permanently dissolved in September 2015 following a restructuring of the Ministry of Finance.

May/June 2017

109. Under the guidelines for credit facilities to minority communities, an officer appointed at the Head Office holding the rank of Deputy General Manager or Assistant General Manager to ensure smooth flow of credit is formally referred to as a:
(A) District Lead Officer
(B) Statutory Auditor
(C) Compliance Manager
(D) Nodal Officer

Oct/Nov 2018

110. In the context of bank relief measures for natural calamities, why is a "blueprint of action" required to be duly approved by the Board of Directors?
(A) Because natural calamities and extreme weather events can be accurately anticipated and timed using modern forecasting systems.
(B) To ensure that commercial and rural banks can permanently alter their prime lending rates for all categories of borrowers.
(C) To ensure that relief and assistance are provided with speed and without any loss of time during eventualities.
(D) To legally bypass all existing regulatory monetary policies and central bank directives during a declared state of emergency.

May/June 2018

111. Consider the following statements regarding the Prime Minister's 15 Point Program for the Welfare of Minorities:
I It aims to ensure an appropriate percentage of priority sector lending is targeted for minority communities.
II It includes the disadvantaged sections of minority communities.
III It envisages the location of certain proportion of development projects in minority concentration districts.
IV It is implemented by Central Ministries concerned through State Governments.
V It mandates Lead Banks to keep this requirement in view while preparing district credit plans.
Which of the above statements are correct?
(A) (I), (II), (III), and (IV)
(B) (II), (III), (IV), and (V)
(C) (I), (II), (IV), and (V)
(D) (I), (II), (III), (IV), and (V)

Oct/Nov 2019

112. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Financial literacy must play a central role in ensuring people use appropriate formal financial services.
Reason (R): Data indicated an extraordinary increase in formal account ownership in India by 2017, largely driven by the PMJDY initiative.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true,

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but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2020

113. An Urban Local Body (ULB) submits a monthly progress report on the SEP component. The State Urban Livelihoods Mission (SULM) reviews the data. Under guidelines, to which central ministry must the SULM compile and communicate these reports on a monthly basis?
(A) Ministry of Rural Development
(B) Ministry of Finance
(C) Ministry of Housing and Urban Affairs (MoHUA)
(D) Ministry of Micro, Small and Medium Enterprises

Oct/Nov 2020

114. Consider the following advances classified as credit to weaker sections under poverty alleviation schemes:
I Overdrafts availed by PMJDY account holders.
II Credit provided to SCs/STs and minority communities.
III Loans under the Scheme for Rehabilitation of Manual Scavengers (SRMS).
IV Advances to multinational corporations for setting up urban IT parks.
Which of the above advances are correctly classified?
(A) (I), (II), and (III)
(B) (II), (III), and (IV)
(C) (I), (III), and (IV)
(D) (I), (II), and (IV)

May/June 2021

115. Match the items in List I with those in List II regarding relief measures in natural calamity areas.
List I: (Fresh Loan Feature)
P. Consumption loan limit without collateral
Q. Margin requirements
R. Penal interest on current dues in default
S. Interest subvention on restructured short term crop loan
List II: (Regulatory Guideline)
1. May be waived or government subsidy considered
2. No penal interest will be charged
3. 2% per annum for the first year
4. Up to ₹10,000/-
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-4, R-1, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-1, R-2, S-3

Oct/Nov 2021

116. Under the National Strategy for Financial Inclusion, which of the following best represents the strategic pillars identified to hold up the vision?
(A) Universal access, increasing overall bank profitability ratios, and minimizing the existing priority sector lending targets.
(B) Complete privatization of all regional rural banks and the total elimination of the business correspondent network model.
(C) Exclusive reliance on informal and traditional credit channels to manage the growing burden of rural and agricultural debt.
(D) Universal access, basic bouquet of services, livelihood access, financial literacy, customer protection, and effective coordination.

NODIA

May/June 2022

117. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Group enterprises under NULM (SEP-G) must have a minimum of three members with at least 70% from urban poor families.
Reason (R): This ensures that the bulk of the subsidized financial assistance is accurately targeted toward the economic rehabilitation of the urban poor.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2022

118. Identify the incorrect statement regarding the support provided by DAY-NRLM to banks.

ANSWERS

1. (B) To ensure that sustainable livelihood generation brings people out from the clutches of poverty
Objective convergence between programs like NRLM, NULM, and PMKVY is intended to create a holistic support system for the poor. By aligning these initiatives, the government ensures that skill development and employment generation result in sustainable livelihoods. This integrated approach is essential for providing vulnerable populations with stable incomes and effectively lifting them out of poverty.

2. (C) A set of knowledge, skills, and behaviors necessary to make sound financial decisions and achieve individual financial wellbeing.
In the national strategy, financial literacy is defined as a multidimensional concept that empowers individuals through awareness and understanding. It combines essential knowledge with practical skills and responsible behaviors to help people manage money effectively. This capacity enables citizens to make informed financial choices, navigate various products, and ultimately secure their long-term personal and household financial wellbeing.

3. (C) Inclusive and resilient multi-stakeholder led growth
The primary goal of providing accessible and affordable financial services in a transparent manner is to foster broad-based economic development. By ensuring that every segment of society can participate in the formal economy, the strategy supports inclusive growth. This multi-stakeholder approach builds financial resilience among citizens, allowing the entire nation to achieve sustainable and balanced economic progress.

4. (A) (I), (II), (III)
India's journey toward financial literacy began with the release of the first national strategy in 2013 to establish a basic framework. This was followed by a significant increase in formal account ownership, which reached eighty percent by 2017. Currently, the revised strategy for the 2020 to 2025 period focuses on advancing the skills of various financial intermediaries.

5. (C) (I) and (III)
Strengthening coordination for financial inclusion requires leveraging established systems like the Lead Bank Scheme to ensure effective ground-level implementation. Furthermore, adopting a decentralized planning approach is vital, specifically by involving Gram Panchayats to reach rural populations directly. These actions ensure that strategic goals are translated into actual services while maintaining robust oversight through local and district-level forums.

6. (B) Developing the skills of intermediaries involved in providing financial services.
The capacity element of the strategic approach focuses on the human resource aspect of the financial ecosystem. It emphasizes the need for professional training and skill development for intermediaries who interact with customers. By enhancing the expertise of these service providers, the system ensures that financial advice and services are delivered accurately, efficiently, and with high professional standards.

7. (B) The state where vulnerable groups lack access to formal financial services, forcing them toward informal options.
Financial exclusion occurs when specific segments of the population are unable to access the formal banking and credit system. Vulnerable groups often face barriers such as high costs, lack of documentation, or physical distance from institutions. Consequently, they are forced to rely on unregulated informal lenders, which can lead to high interest rates and increased financial vulnerability for households.

8. (B) It aims to replace all informal lending mechanisms with formal credit institutions.
While the national strategy aims to expand formal credit, its specific objectives for the 2020-2025 period focus on literacy, digital safety, and social security. Goals include teaching financial management to youth, promoting secure digital

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and Finance Corporation (NMDFC), what percentage of the project cost is contributed by the beneficiary?
(A) 5%
(B) 10%
(C) 25%
(D) 60%

May/June 2005

125. According to guidelines on Access to livelihood and skill development, convergence of objectives is recommended with all of the following employment generation programs, except:
(A) National Rural Livelihoods Mission (NRLM)
(B) Swarnajayanti Gram Swarozgar Yojana (SGSY)
(C) Pradhan Mantri Kaushal Vikas Yojana (PMKVY)
(D) National Urban Livelihoods Mission (NULM)

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and affordable is achieved through a structured and regulated framework.

17. (A) A robust customer grievance portal or mobile app acting as a common resolution interface.
Protecting customers in the digital age requires efficient and transparent mechanisms for resolving complaints related to financial transactions. The proposed framework includes a centralized grievance portal or mobile application that serves as a common interface for all stakeholders. This digital solution ensures that individuals can easily lodge complaints and track their resolution, fostering trust and security in the formal financial system.

18. (A) P-3, Q-4, R-2, S-1
The strategic pillars for financial inclusion are supported by specific action plans to ensure effective implementation across the country. Universal access is improved by increasing banking outlets in remote areas, while the basic bouquet of services involves enrolling adults in insurance schemes. Additionally, linking account holders to skill development centers and creating educational modules through NCFE are vital components of the strategy.

19. (D) Guarantee zero-risk investments in equity derivative markets
Strategic objectives for financial education focus on encouraging savings, promoting secure digital transactions, and expanding insurance and pension coverage for life-stage risk management. However, financial markets inherently involve various levels of risk, particularly in complex instruments like equity derivatives. It is not an objective of any regulatory strategy to guarantee zero-risk investments, as all market-based financial products carry potential risks.

20. (A) It is a Section 8 company under the Companies Act, 2013 set up by all financial sector regulators.
The National Centre for Financial Education is a specialized entity established to promote financial literacy across the country. It is registered as a Section 8 company under the Companies Act of 2013, indicating its non-profit nature. The organization was set up through the collaborative efforts of major financial regulators, including the RBI, SEBI, IRDAI, and PFRDA, to coordinate education.

21. (C) DBT was launched in 2013 to ensure accurate targeting of beneficiaries and reduction of system leakages.
The Direct Benefit Transfer mechanism was officially introduced in 2013 to transform the way government subsidies are delivered to citizens. Its primary goal is to ensure that welfare benefits reach the intended beneficiaries directly and accurately. By utilizing electronic transfers to bank accounts, the system significantly reduces leakages, delays, and administrative costs associated with traditional manual distribution methods.

22. (B) A mandatory international credit card
The national mission for financial inclusion aims to provide every citizen with a basic bouquet of essential financial services. This package typically includes a savings bank deposit account, micro-life and non-life insurance products, and access to pension and investment options. Providing a mandatory international credit card is not part of this basic service framework, as it does not align with inclusion goals.

23. (B) Only (II)
To improve the delivery of financial services, the operationalization of the Public Credit Registry is a critical step for better credit assessment. This registry allows authorized financial entities to access reliable data when evaluating loan proposals. Regarding the training of business correspondents, the guidelines allow for the use of various accredited institutions, rather than restricting capacity building exclusively to the parent bank.

24. (D) To ensure that various stakeholders spreading financial literacy work in tandem and avoid working at cross purposes.
A comprehensive national strategy for financial education is necessary to coordinate the efforts of various regulators, government departments, and financial institutions. By providing a unified framework, the strategy ensures that all stakeholders work together toward common goals. This synchronization prevents the duplication of efforts and ensures that different literacy initiatives do not conflict with one another, maximizing their overall impact.

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transactions, and ensuring retirement planning through pensions. Completely eliminating all informal mechanisms is not stated as a primary, realistic objective within this specific strategic framework.

9. (B) 80 percent
India witnessed a remarkable transformation in its financial landscape as formal account ownership saw a rapid increase within a few years. By 2017, the proportion of adults holding a formal bank account reached eighty percent of the population. This milestone was largely driven by government initiatives like the Jan Dhan Yojana, which aimed to bring every household into the system.

10. (C) SEBI - Embarked on a mass media campaign giving relevant messages to investors
Different financial regulators have launched specific initiatives to educate the public about their respective sectors. The Securities and Exchange Board of India focused on investor awareness by launching extensive mass media campaigns. These efforts use television, radio, and print to deliver important messages about market safety, helping individual investors make more informed and secure decisions in the capital markets.

11. (D) RBI advised banks to avoid opening new accounts in camp mode for DBT beneficiaries.
Direct Benefit Transfer initiatives are designed to improve the efficiency of government subsidy delivery by using the Aadhaar-linked electronic payment framework. Contrary to restricting access, the central bank actually encouraged banks to proactively open accounts, specifically recommending the use of camp mode. This approach ensures that beneficiaries are brought into the formal banking system quickly to receive their intended payments.

12. (C) The ecosystem for various modes of digital financial services should be strengthened exclusively in Tier I centres to create a cashless society.
Universal access to financial services requires expanding the banking infrastructure to reach every corner of the country, including hilly areas and small hamlets. The strategy emphasizes leveraging fintech to improve outreach through digital modes for all citizens. Restricting the strengthening of the digital ecosystem to only major metropolitan Tier I centers would contradict the core goal of achieving nationwide financial inclusion.

13. (A) Community
Utilizing local self-help groups and Gram Panchayats to deliver financial messages is a core part of the community-led model. This approach recognizes that local institutions have the trust and reach necessary to influence behavioral changes among residents. By leveraging these existing social structures, the bank effectively executes the community element of the five-point strategy to promote financial literacy.

14. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Financial education and financial literacy are distinct but inseparable parts of the same developmental process. Education represents the active input, consisting of the tools, programs, and information provided to the public. Literacy is the measurable outcome of this process, reflecting the actual knowledge and skills individuals have acquired. Therefore, people successfully achieve financial literacy through the systematic application of education.

15. (C) Assertion (A) is true, but Reason (R) is false.
India possesses a significant demographic advantage that can drive inclusive growth if the population is integrated into a vibrant financial system. However, financial inclusion is primarily a supply-side intervention designed to provide accessible and affordable services to all citizens. It is not a mechanism that forces institutional players, but rather a strategic framework to expand formal banking reach to the poor.

16. (A) Financial Inclusion Advisory Committee
The Reserve Bank of India developed the National Strategy for Financial Inclusion for the 2019 to 2024 period with high-level guidance. This comprehensive document was prepared under the aegis of the Financial Inclusion Advisory Committee. The strategy incorporates diverse perspectives to ensure that the vision of making financial services available, accessible,

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(A) SRLMs develop strategic partnerships with major banks to create enabling conditions.
(B) SRLMs assist SHGs through imparting financial literacy and counselling.
(C) SRLMs extend support for improving banking services quality, including follow-up for recovery of over dues.
(D) The Community Based Repayment mechanism (CBRM) is formed exclusively at the national level to assume all loan liabilities.

May/June 2023

119. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): The credit planning under the Lead Bank Scheme should be weighted in favor of scheduled castes/scheduled tribes.
Reason (R): Regulatory advice periodically instructs banks to step up advances to SCs/STs as they are reckoned as advances to weaker sections under the priority sector.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2023

120. To support micro-entrepreneurs dealing with irregular monthly cash inflows and procedural documentation hurdles, what facility does DAY-NULM aim to provide?
(A) Facilitating access to Credit Cards or MUDRA Cards through banks.
(B) 100% grant for all working capital needs without repayment.
(C) Direct cash handouts from the municipal tax collections.
(D) Waiving all interest charges on long-term capital expenditure.

May/June 2024

121. Identify the incorrect statement regarding the handling of minority credit schemes by banks.
(A) Bank staff may help poor borrowers in filling up forms to get credit facility within a stipulated period.
(B) Non-release of subsidy upfront amounts to under-financing and hampers asset creation.
(C) The Convenor banks of DCCs and SLBCs shall ensure steps taken to facilitate credit to minorities are reviewed regularly.
(D) Circulars issued by authorities need not be circulated among bank staff as they are meant only for Board members.

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Oct/Nov 2024

122. Match the items in List I with those in List II.
List I: (Reporting or Monitoring Feature)
P. Data on advances to SCs and STs reported
Q. Reporting progress on DAY-NRLM to authorities
R. NULM SEP reports communication to Ministry
S. Minority credit assistance data furnished to authorities
List II: (Schedule/Frequency)
1. Half-yearly basis (March and September)
2. Monthly basis to MoHUA
3. Quarterly intervals
4. As prescribed in official Master Directions
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-4, R-1, S-3
(C) P-4, Q-3, R-2, S-1
(D) P-3, Q-1, R-4, S-2

May/June 2025

123. What is the conceptual function of the City Livelihoods Centres (CLCs) under the DAY-NULM framework?
(A) To act solely as recovery agents and legal representatives for defaulted bank loans within urban municipal jurisdictions.
(B) To distribute direct and unconditional cash transfers to urban residents during periods of economic downturn or stagnation.
(C) To provide an environment supporting micro-enterprises through registration, marketing, and feasibility services.
(D) To serve as the primary regulatory authority overriding national banking guidelines in specific urban and municipal zones.

Oct/Nov 2025

124. Under the Margin Money Scheme operated by the National Minorities Development

25. (D) (I), (II), (III), and (IV)
The five-point approach recommended for financial education involves developing high-quality content and building the capacity of intermediaries to deliver it effectively. It also emphasizes leveraging community-led models for better local outreach and enhancing collaboration among various stakeholders. Additionally, effective communication strategies are essential to ensure that financial literacy messages reach the target audience in a clear, accessible, and impactful manner.

26. (D) It incorporates inputs from the Government of India, SEBI, IRDAI, PFRDA, and other market players like NABARD and NPCI.
The preparation of the National Strategy for Financial Inclusion involved an extensive consultative process to ensure a holistic approach. It successfully integrated inputs from the central government and major financial regulators like SEBI, IRDAI, and PFRDA. Additionally, the strategy considered the expertise of key market players and institutions such as NABARD and NPCI to create a robust and inclusive roadmap.

27. (A) P-2, Q-4, R-3, S-1
Various financial institutions have launched unique digital and educational initiatives to improve literacy across different sectors. NCFE conducts national assessment tests, while IRDAI provides engaging features like the Young Corner game. Similarly, PFRDA launched the Pension Sanchay website for retirement planning, and SIDBI developed the Samriddhi portal. These varied efforts ensure that citizens have access to specialized knowledge for different products.

28. (A) NABARD - Bankability kit for MSE entrepreneurs hosted in its portal
Stakeholders in the financial ecosystem have developed various tools to support specific target groups. For instance, PFRDA coordinates annuity literacy, and NPCI focuses on digital payment awareness for corporate employees. While several institutions provide resources, the bankability kit for micro and small enterprise entrepreneurs is actually an initiative hosted by SIDBI, rather than NABARD, to assist aspiring business owners.

29. (D) (I), (II), (III), and (V)
The Reserve Bank of India has actively pursued multiple initiatives to enhance financial literacy through guides, diaries, and educational posters. It also conducts mass media campaigns via press releases and social media to reach a wider audience. Additionally, advertisements focusing on basic accounts and safe banking for seniors, along with special booklets for new entrants, are key parts of its strategy.

30. (D) Financial inclusion is a supply-side intervention, while financial education is a demand-side intervention.
Financial inclusion and financial education are complementary interventions that address different sides of the financial ecosystem. Financial inclusion is primarily supply-side, as it focuses on making infrastructure, products, and services available through formal institutions. Financial education is a demand-side intervention, as it aims to empower consumers with the knowledge and confidence required to actively seek and use those available services.

31. (C) ₹1,00,000
Under the National Rural Livelihoods Mission, the drawing power for a Self-Help Group's cash credit limit in the first year is calculated based on specific norms. The amount is determined as six times the group's existing corpus or a minimum of one lakh rupees, whichever is higher. Since six times the fifteen thousand rupee corpus is ninety thousand, the minimum limit of one lakh applies.

32. (A) (I), (III), and (V)
Financial assistance under the urban livelihoods mission includes interest subsidies for loans above a seven percent interest rate. To encourage responsible financial behavior, these subsidies are strictly subject to timely repayment according to the agreed schedule. Furthermore, an additional three percent subvention is available specifically for women self-help groups who maintain a record of prompt repayment, incentivizing regular debt service.

33. (B) Only (II)
To facilitate easier access to banking for Self-Help Groups under the rural livelihoods mission, specific account opening procedures are followed.

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both physical and financial targets be earmarked for members of minority communities. This ensures that vulnerable sections within urban populations receive adequate support for their micro-enterprise development.

51. (D) No subvention amount remains overdue or pending with the States.
The funding for interest subvention under the urban livelihoods mission is a shared responsibility between the central and state governments. The mechanism is designed to ensure that the financial assistance reaches beneficiaries without administrative delays. According to the program guidelines, the system is managed such that no subvention amounts should remain overdue or pending with the states at the end of the year.

52. (A) (I) and (II)
For a Self-Help Group to be eligible for credit under the rural livelihoods mission, it must demonstrate stability and discipline. The group should have been in active existence for at least six months and maintained proper books of account. Additionally, groups are expected to practice the 'Panchasutras,' which include regular meetings, savings, and internal lending, to ensure their long-term financial health.

53. (C) Finance the group excluding the willful defaulters, ensuring they do not benefit from the loan.
When a bank identifies willful defaulters within a Self-Help Group, it must balance the need for credit with risk management. Rather than denying the entire group, the bank is advised to provide financing while specifically excluding the defaulting members. This approach ensures that the honest members can continue their economic activities without being unfairly penalized for the actions of a few.

54. (A) Only (I)
Group enterprises under the urban livelihoods mission must consist of at least three members to qualify for assistance. Furthermore, a minimum of seventy percent of the group members must come from urban poor families to ensure the program's primary target is met. To prevent the concentration of benefits within a single household, the guidelines prohibit more than one person from the same family.

55. (A) 15 days
Efficiency in processing loan applications is vital for the success of micro-enterprises under government-sponsored schemes. Once a task force at the urban local body recommends an application, the bank is expected to complete its appraisal and decision-making process quickly. The prescribed time frame for banks to process these recommended cases is fifteen days, ensuring that entrepreneurs receive timely financial support.

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56. (A) No, KYC of all members cannot be made a prerequisite for credit linkage of SHGs.
Regulatory guidelines are designed to simplify the credit linkage process for Self-Help Groups and prevent unnecessary administrative hurdles. While account opening may require certain documentation, banks are specifically instructed not to make the complete KYC of all individual group members a prerequisite for sanctioning a loan. This policy ensures that groups can access needed credit facilities without being delayed by documentation requirements.

57. (A) P-3, Q-1, R-4, S-2
Financial programs for the poor include specific parameters for loan amounts, age eligibility, and repayment terms. For instance, individual micro-enterprises under the urban mission have a project cost cap of two lakh rupees, and members must be at least eighteen years old. Repayment for group loans typically spans five to seven years, and eligible women groups receive an additional interest subvention.

58. (A) Second dose - Repaid in 36-48 months
The repayment schedule for Self-Help Group term loans is structured in stages to provide flexibility as the loan amounts increase. Each subsequent dose typically offers a longer repayment period. For example, while the first dose might have a shorter term, the second dose is generally expected to be repaid over a period of thirty-six to forty-eight months, allowing groups more time.

59. (C) 5% of the project cost
Under the urban livelihoods mission, margin money requirements are tiered based on the total

for initiating the restructuring of agricultural loans and providing fresh credit.

42. (C) To facilitate collective production and marketing for their produce.
Under the rural livelihoods mission, Producer Groups are encouraged to open current accounts to support their joint business operations. These accounts serve as the primary financial vehicle for handling transactions related to collective production and the subsequent marketing of their goods. By managing their funds through a formal account, these groups can improve their operational efficiency and scale their economic activities.

43. (B) Training is mandatory even if the beneficiary has already undergone training from a registered NGO.
Training is a critical component of the urban livelihoods mission, ensuring that beneficiaries possess the skills needed for successful entrepreneurship. While the program requires formal entrepreneurship development training for most applicants, exemptions may be granted. Specifically, if a beneficiary has already received relevant technical training from a registered organization, repeating the process may not be mandatory, allowing them to proceed with credit.

44. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The rural livelihoods mission recognizes that unforeseen circumstances can sometimes lead to loan defaults within a Self-Help Group. If a group's default is non-willful and due to genuine reasons, the members should not be automatically debarred from receiving further credit. In such cases, banks are encouraged to restructure the account and provide a revised repayment schedule, ensuring continued financial support.

45. (C) 30 days
For an SHG loan to be classified as having prompt repayment under the urban livelihoods mission, the group must adhere strictly to the schedule. A maximum delay of thirty days from the due date is permitted for the account to maintain its prompt payment status. This timeline is crucial because it determines the group's eligibility for interest subvention and other financial benefits.

46. (B) Halt all non-DBT related credit operations until DBT targets are fully achieved.
Monitoring the progress of Direct Benefit Transfer implementation is a key responsibility for lead banks and state-level committees. They must establish review mechanisms, discuss progress in regular meetings, and submit monthly reports to the regulator. However, these activities should not interfere with other banking functions. Halting standard credit operations to meet welfare targets would be counterproductive to overall economic stability.

47. (B) ₹10 Lakh
Under the urban livelihoods mission, group enterprise loans are available to support collective micro-ventures. While individual members within a group are eligible for up to two lakh rupees each, the total loan amount for the entire group is subject to a specific cap. Regardless of the number of members, the maximum loan amount for a group enterprise is ten lakh rupees.

48. (B) P-4, Q-1, R-2, S-3
The cash credit limit for Self-Help Groups increases progressively to match their growing financial management capabilities. In the first year, it is typically six times the corpus or a minimum of one lakh rupees. This limit increases to eight times the corpus or two lakh rupees in the second year. Subsequent years see limits of at least six lakh rupees based on plans.

49. (A) It consolidates data from branches and transfers the interest subsidy through the Direct Benefit Transfer mode.
The nodal agency plays a central administrative role in the urban interest subsidy scheme by coordinating between banks and the government. Its primary function is to consolidate data from various bank branches regarding eligible loan cases. Once the information is verified, the agency ensures the interest subsidy is transferred efficiently to the beneficiaries' accounts using the direct benefit transfer mechanism.

50. (C) At least 15 percent
The self-employment component of the urban livelihoods mission includes specific mandates to ensure equitable distribution of benefits across society. To support diversity and inclusion, the program requires that at least fifteen percent of

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101. (A) A 'NIL' statement shall be uploaded by the 10th of the following month.
The natural calamities portal serves as a centralized platform for tracking the relief measures provided by banks across the country. To ensure the database remains current and accurate, banks are required to update it every month. Even if no relief measures were extended during a particular month, the bank must still log in and upload a 'NIL' statement by the tenth.

102. (A) Ensuring access to affordable financial products and services needed by vulnerable groups in a transparent manner.
Financial inclusion in India is defined as a process aimed at bringing the unbanked population into the formal financial fold. The focus is on ensuring that all citizens, particularly vulnerable and low-income groups, have access to basic products like savings, credit, and insurance. These services must be affordable, appropriate for their needs, and delivered in a transparent, fair, and sustainable manner.

103. (B) Accepting certificates issued by community authorities for land security in areas under the Sixth Schedule of the Constitution.
In certain regions with unique administrative structures, such as areas under the Sixth Schedule, banks must adapt their security requirements for loans. In these cases, certificates issued by recognized community or tribal authorities can be accepted as valid proof for land-based security. This flexibility allows residents in these areas to access formal credit and debt conversion facilities despite the lack of titles.

104. (A) (I), (II), (III), and (IV)
The interest subsidy scheme for urban livelihoods is managed through a digital framework involving banks on the Core Banking Solution platform. Banks submit monthly data in specific formats, which local authorities then verify to release the subsidy. While the system is designed for efficiency, state-level committees have the oversight to monitor the settlement of claims and address any significant delays in the process.

105. (C) P-4, Q-1, R-3, S-2
Government-sponsored programs have specific financial and operational parameters that change as a borrower's needs evolve. For instance, the minimum loan for a group in its third year under the rural mission is six lakh rupees, while urban individual project costs are capped at two lakh. These programs also specify moratorium periods and extended repayment schedules to help beneficiaries manage their debt effectively.

106. (B) Advances to venture capital funds operating in major metropolitan cities.
Credit provided to weaker sections includes specific categories such as loans under poverty alleviation programs, DRI beneficiaries, and PMJDY overdrafts. These advances are designed to support the financial needs of the poorest segments of society. Conversely, investments in or advances to venture capital funds in major cities are commercial in nature and do not qualify as credit to weaker sections.

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107. (A) SC/ST members satisfying income criteria can avail an additional housing loan up to ₹50,000.
The DRI scheme provides specialized support to the poorest individuals through low-interest loans for productive activities and basic housing. While the scheme offers a fixed interest rate of four percent, the housing loan limit for eligible beneficiaries is set at twenty thousand rupees. Suggesting that a much higher limit of fifty thousand rupees is available for housing under this specific scheme is incorrect.

108. (A) DBT was expanded in 2014, bringing schemes like MGNREGA across 300 identified districts.
After its initial launch, the Direct Benefit Transfer program saw a major expansion in 2014 to cover more schemes and geographical areas. A key milestone was the inclusion of the MGNREGA program, which was implemented using the DBT mechanism across three hundred identified districts. This expansion was a significant step toward digitizing all government-to-citizen payments and reducing leakages on a national scale.

109. (D) Nodal Officer
To ensure that the flow of credit to minority communities is monitored and managed effectively at the corporate level, banks appoint a dedicated senior official. This individual, typically holding the rank of Deputy or Assistant General Manager, is designated as the Nodal Officer. Their role is to coordinate and oversee all

project cost of the micro-enterprise. For projects costing up to fifty thousand rupees, no margin is typically required from the applicant. However, for project costs exceeding this threshold, such as one lakh fifty thousand rupees, the bank is permitted to ask for a five percent margin.

60. (B) The DCC shall regularly monitor the flow of credit to SHGs at the state level only.
Effective monitoring of the rural livelihoods mission is conducted through various committees at different administrative levels. While the state-level committee forms sub-committees to oversee progress, the District Consultative Committee is responsible for monitoring credit flow within its specific district. Suggesting that the district-level committee only monitors at the state level is incorrect, as its primary focus is local implementation.

61. (C) No, banks should grant fresh loans without waiting for the receipt of the insurance claim.
During a natural calamity, farmers often require immediate financial assistance to start the next cropping cycle. Guidelines advise banks not to delay fresh credit by waiting for the settlement of insurance claims from the previous season. By providing timely loans, banks help farmers maintain their agricultural activities and prevent further financial distress, ensuring the continuity of production despite the recent calamity.

62. (A) (I), (II), (III), and (IV)
Various social welfare schemes include specific targets to ensure that a significant portion of benefits reaches scheduled castes and tribes. These programs offer concessional interest rates, credit guarantees, and mandated participation percentages to support economic empowerment. For example, the DRI scheme provides low-interest loans for productive activities and housing, specifically exempting these communities from standard land-holding criteria to improve accessibility.

63. (A) Overdue short-term loans at the time of calamity - Eligible for automatic restructuring
Restructuring of crop loans after a natural calamity is reserved for current dues to help honest borrowers recover. However, loans that were already overdue at the time of the calamity are generally not eligible for this automatic restructuring. The guidelines provide specific repayment extensions and moratorium periods based on the severity of the crop loss, helping borrowers manage their restructured debt.

64. (C) 75%
Small Finance Banks play a specialized role in the Indian financial system, with a strong focus on serving the unbanked and underbanked segments. To ensure they stay true to this mission, the regulator mandates a higher priority sector lending target for them compared to universal banks. These institutions must allocate seventy-five percent of their Adjusted Net Bank Credit toward priority sector categories.

65. (A) The lending banks
In areas affected by riots or civil disturbances, the identification of genuine victims for rehabilitation assistance is a critical step. If the state administration is unable to provide a comprehensive list of affected persons, the responsibility falls upon the lending banks themselves. Banks must use their judgment and local knowledge to identify eligible borrowers who require financial support to rebuild their livelihoods.

66. (A) Half-yearly basis (ending March and September).
Monitoring the flow of credit to minority communities is an essential part of the national developmental agenda. To track progress and ensure that targets are being met, banks are required to furnish detailed data on their lending activities. This information is submitted to the regulator and relevant ministries on a half-yearly basis, covering the periods ending in March and September.

67. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Speed is of the essence when providing financial relief after a natural calamity. To avoid bureaucratic delays, it is important that divisional and zonal managers have the discretionary power to act quickly. By empowering local officials to restructure loans or sanction fresh credit without waiting for board-level approvals, banks can ensure that assistance reaches affected borrowers when they need it most.

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68. (B) Only (II)
To improve credit access for scheduled castes and tribes, banks must follow sensitive procedural mandates. One key requirement is that the rejection of any loan application for these beneficiaries must be reviewed at a higher level than the branch. This ensures that every application is given fair consideration. Furthermore, banks are discouraged from insisting on deposits when evaluating government-sponsored poverty alleviation cases.

69. (A) SLBC convenor banks cannot invite representatives of the National Commission for SCs/STs to their meetings.
Regular monitoring of credit flow to vulnerable communities is achieved through specialized cells at bank headquarters and periodic reviews of branch returns. These committees play a vital role in ensuring that lending targets are met. To improve the effectiveness of these reviews, state-level committees are encouraged to invite representatives from the National Commission for Scheduled Castes and Tribes to their meetings.

70. (C) A certificate issued by the Revenue Department officials proving the title.
When a natural calamity results in the loss of formal property documents, banks must adopt a flexible approach to help borrowers secure rehabilitation loans. If original land title deeds are destroyed, a certificate from the local revenue department officials can serve as acceptable alternative proof of ownership. This allows the bank to proceed with the loan while maintaining a degree of legal security.

71. (C) The beneficiary contributes 25% of the project cost under the Margin Money Scheme.
The margin money scheme for minorities is designed to be highly accessible by requiring a very low financial contribution from the individual entrepreneur. Under this arrangement, the national corporation and the state agency provide the bulk of the project cost through low-interest finance. The beneficiary's actual contribution is minimal, typically set at just five percent, rather than a larger amount like twenty-five percent.

72. (B) The borrower's caste or religious affiliation.
Rescheduling long-term agricultural loans after a natural calamity is a purely financial and economic decision based on the borrower's circumstances. Banks evaluate factors such as the individual's overall repaying capacity, any government subsidies received, and the availability of insurance compensation. The borrower's caste or religious affiliation is never a valid consideration in determining the terms of debt rescheduling or credit assistance.

73. (D) They are treated as Priority Sector Advances if used for purchasing inputs and marketing outputs of beneficiaries.
Financial assistance provided to state-sponsored organizations for scheduled castes and tribes can qualify for priority sector status under specific conditions. To be classified as a priority sector advance, the funds must be used specifically to purchase production inputs or to market the outputs of the individual beneficiaries. This ensures that the credit directly supports the economic activities of the target communities.

74. (C) P-2, Q-4, R-3, S-1
Asset classification during a natural calamity follows specific regulatory rules to prevent the unnecessary downgrading of accounts. The restructured portion of a loan is treated as current dues, while any additional finance granted for rehabilitation is classified as a standard asset. These rules help maintain the borrower's creditworthiness while allowing the bank to provide the necessary financial relief and support.

75. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
In regulatory reporting, advances to minority communities are generally tracked at the individual or partnership level. Because a company is a separate legal entity distinct from its shareholders, it cannot be classified as a minority community beneficiary, even if its owners belong to such a group. This distinction ensures that the tracking of minority credit remains focused on individuals and small businesses.

76. (B) All States use identical uniform procedures and nomenclature (like 'annewari') for declaration.
The process for declaring a natural calamity and assessing crop loss varies significantly across

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different states in India. While the common goal is to identify areas with at least thirty-three percent damage, each state may use its own specific procedures and local terminology. Expecting identical, uniform nomenclature nationwide is incorrect, as land and revenue administration is primarily a state-level responsibility with diverse traditions.

77. (D) Lingayats
The national government formally notifies specific groups as minority communities to ensure they receive targeted support through various welfare and credit programs. Recognized communities include Muslims, Sikhs, Christians, Buddhists, Zoroastrians, and Jains. While there are many other social groups in the country, Lingayats are not currently included in the official list of minority communities as notified by the Ministry of Minority Affairs.

78. (D) The viability of the venture as assessed by the bank.
When providing fresh credit to help an artisan or small industrial unit recover after a calamity, the most important factor for a bank is the future potential of the business. Banks must conduct a thorough appraisal to determine if the proposed rehabilitation plan is economically viable. While past losses and government support are relevant, the decision to lend is primarily based on the business's ability.

79. (A) P-3, Q-2, R-1, S-4
Welfare schemes for vulnerable groups involve diverse targets and limits to ensure effective social impact. For example, the rural livelihoods mission aims for fifty percent coverage of scheduled castes and tribes. Similarly, the DRI scheme provides a specific housing loan limit for beneficiaries. These structured parameters, including guarantee covers for entrepreneurs, are essential for tracking and achieving the goals of financial inclusion.

80. (D) Adopting specific localities in villages which have a high concentration of SC/ST communities.
Credit planning for marginalized communities involves a targeted approach to maximize the impact of banking services. Banks are encouraged to adopt specific localities within villages that have a high concentration of scheduled castes and tribes. This strategy allows for more focused financial literacy efforts and customized credit products, ensuring that the most vulnerable segments of the rural population are effectively integrated.

81. (A) (I) and (II)
To improve credit flow in minority-concentrated districts, lead banks are advised to take proactive promotional measures. This includes organizing sensitization workshops for officials and using various media platforms to publicize bank schemes in local languages. However, levying higher interest rates based on the perceived risk of a community is strictly prohibited, as it would be discriminatory and counterproductive to inclusion.

82. (B) (I) and (III)
Asset classification rules for restructured loans provide a framework for managing credit during natural calamities. The restructured portion can be treated as current dues and does not need to be classified as a non-performing asset immediately. Meanwhile, any unrestructured portion of the debt remains governed by the original terms. These measures help protect both the bank's balance sheet and the borrower's credit rating.

83. (D) (I), (II), (III), and (IV)
In the aftermath of a natural calamity, banks are permitted to adopt flexible operational measures to ensure customers have access to their money. This includes using non-documentary verification for identity and operating from temporary premises. Additionally, waiving withdrawal fees and opening small accounts with minimal documentation help maintain financial services for affected populations, ensuring that the banking system remains functional during a crisis.

84. (C) It is treated as an advance to minority communities because the majority of partners belong to them.
When evaluating loans for partnership firms, banks determine their minority status based on the composition of the partners. If a majority of the partners in a firm belong to a specified minority community, the advance can be classified as a minority community loan. This approach ensures that small business ventures

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According to regulatory guidelines, completing the customer due diligence for only the office bearers is sufficient to open a savings bank account for the group. This simplified process helps groups begin their formal financial journey without requiring immediate documentation for every member.

34. (D) Groundwork to open bank accounts for SHGs and engaging Resource Organizations to facilitate financial access.
Urban Local Bodies play a crucial role in supporting self-help groups by facilitating their integration into the formal banking system. This involves conducting the necessary groundwork to open group bank accounts and partnering with resource organizations for specialized support. These efforts are essential to help groups access revolving funds and other credit facilities, which are vital for sustaining their collective activities.

35. (A) No collateral and no margin would be charged up to ₹10.00 lakh limit to the SHGs.
To ease the credit flow for Self-Help Groups under the rural livelihoods mission, specific norms regarding security and margins have been established. Banks are instructed not to charge any margin or require collateral for loans up to a ten lakh rupee limit. This policy removes significant barriers for groups seeking small-scale credit, encouraging them to undertake productive economic activities without asset-based constraints.

36. (A) CLCs provide support in establishment, production, processing, and long term sustainability.
City Livelihoods Centers serve as vital support hubs for urban residents by offering a variety of essential services. These centers assist individuals and groups in the establishment, production, and processing phases of their micro-enterprises. By providing technical and marketing support, CLCs help ensure the long-term sustainability of urban livelihoods, acting as a one-stop shop for entrepreneurs seeking to grow their businesses.

37. (A) Seed existing accounts or new accounts opened with Aadhaar numbers.
Efficient delivery of government welfare benefits through the Direct Benefit Transfer system depends heavily on accurate account identification. Branch managers are advised to prioritize seeding existing or new accounts with Aadhaar numbers to facilitate seamless credit. This linkage ensures that funds are transferred directly to the correct beneficiary without delays, helping achieve the national goal of transparent and leakage-free subsidy distribution.

38. (A) (I), (II), and (IV)
The selection of beneficiaries for urban enterprise loans involves a structured process where the Urban Local Body sponsors applications. Prospective entrepreneurs can express their interest through a simple plain paper intent submitted to the local authorities. These applications are then scrutinized by a dedicated task force at the local level, which evaluates the viability of the projects based on the applicant's experience.

39. (A) (II), (III), (I)
The process for settling interest subsidies follows a specific chronological order to ensure accountability and transparency. First, the bank branch disburses the loan to the eligible beneficiary according to the approved terms. Subsequently, the bank submits the details of these disbursed cases and the calculated subsidy amount to the local body. Finally, the authorities verify the data and release the funds.

40. (D) It is sanctioned in progressive doses based on multiples of the corpus and the Micro credit plan.
Term loans for Self-Help Groups under the rural livelihoods mission are designed to support growing financial needs through a multi-dose approach. The loan amount is sanctioned in progressive stages, with each dose typically being a multiple of the group's corpus. This structure is closely linked to the group's micro-credit plan, ensuring that the credit provided aligns with their actual capacity.

41. (B) 33%
In the event of a natural calamity, the government and financial institutions follow standardized criteria to determine the extent of damage and provide relief. A common threshold across different states for declaring a calamity and triggering debt relief measures is a crop loss of at least thirty-three percent. This assessment is vital

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individuals for productive activities. Eligibility is based on strict annual income limits and specific land-holding criteria to ensure benefits reach the intended target group. For members of the scheduled castes and tribes, the land-holding size criteria are waived, reflecting a policy of enhanced support for these disadvantaged communities.

94. (C) Providing a credit enhancement guarantee to Member Lending Institutions (MLIs) that finance SC entrepreneurs.
The CEGSSC operates by providing a financial safety net to banks and other lending institutions that offer credit to entrepreneurs from the scheduled castes. Rather than providing direct subsidies to individuals, the scheme offers a credit enhancement guarantee that covers a portion of the loan. This mechanism encourages banks to lend more confidently to SC-owned businesses, facilitating their entry into the formal economy.

95. (B) Designing a unique LAF layout by the ULB without consulting the SLBC or other bank stakeholders.
The loan application process for urban self-employment programs is designed to be thorough yet standardized. It involves collecting detailed information on the activity, location, and identity of the beneficiary, including Aadhaar numbers where possible. To ensure consistency and ease of processing across the banking sector, the application form layout is typically developed through consultation between local authorities and state-level banking committees.

96. (B) The outstanding balance shall not exceed the sanctioned limit continuously for more than 30 days.
Maintaining a prompt repayment status for a cash credit account requires disciplined financial management by the Self-Help Group. According to the guidelines, the account's outstanding balance must not exceed the sanctioned credit limit for more than thirty consecutive days. This requirement ensures that the group is using the facility correctly and staying within its authorized financial boundaries to remain eligible for benefits.

97. (D) Yes, because the loan is up to ₹35 lakh and the overall cost does not exceed ₹45 lakh.
Housing loans can be classified as priority sector lending for weaker sections if they meet specific value and location criteria. In metropolitan centers, loans up to thirty-five lakh rupees are eligible, provided the total cost of the dwelling unit does not exceed forty-five lakh rupees. This policy helps direct formal credit toward affordable housing for urban residents, supporting the goal of urban financial inclusion.

98. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
In the event of catastrophic flooding, conducting traditional and time-consuming crop assessments is often impossible. Therefore, the decision to provide immediate financial relief must be based on eye estimates and visual impressions of the damage. This pragmatic approach allows for the speedy delivery of assistance to affected farmers, who cannot afford to wait for lengthy administrative procedures during a wide-spread disaster.

99. (B) Banks must ensure 50% of their total priority sector lending is exclusively directed toward specified minority communities.
Banks are required to track and report their lending to notified minority communities, including Jains, Buddhists, and Sikhs. While there are specific targets for lending to weaker sections, there is no mandate requiring that half of all priority sector lending go to minorities. The goal is to ensure a fair and equitable flow of credit to these groups within the overall framework of national priority lending.

100. (A) Only (I)
Under the rural livelihoods mission, banks must maintain a structured reporting system to track the progress of credit linkage. This includes submitting consolidated state-wise reports to the regulator and other authorities at quarterly intervals. While new reporting formats may be introduced, existing systems like the Lead Bank Reporting returns continue to be used to ensure comprehensive data collection on rural credit flow.

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driven by members of these communities are accurately captured in financial inclusion reports.

85. (C) Forward the rejection decision to the next higher level, clearly indicating the valid reasons for the refusal.
To prevent arbitrary rejections and ensure fair access to credit for marginalized groups, specific procedural safeguards are in place. If a branch manager decides to reject a loan application from a scheduled tribe beneficiary, the decision must be reviewed by a higher authority. The manager must provide clear, valid reasons for the refusal, allowing for a thorough and transparent assessment of the case.

86. (B) 5 years
The extent of loan restructuring permitted after a natural calamity depends on the severity of the damage. For farmers who have suffered a significant crop loss of fifty percent or more, banks can offer a maximum repayment period of up to five years. This extended timeline, which may include an initial moratorium, provides the borrower with sufficient time to recover and repay.

87. (B) To resolve credit flow problems, publicize bank schemes, and prepare suitable credit projects with branch managers.
Lead bank officers in minority-concentrated districts have a specialized role that focuses on improving financial access and awareness. They are responsible for resolving specific problems related to credit flow and publicizing relevant bank schemes to the community. By working with branch managers to prepare suitable credit projects, these officers help bridge the gap between financial institutions and the local minority population.

88. (B) An eye estimate or percentage of crop loss assessed.
In the context of agricultural revenue administration, terms like 'Annewari' or 'Paisewari' are used to describe the estimated yield of a crop compared to its normal average. This eye estimate or percentage assessment is crucial for determining the extent of crop loss after a calamity. It serves as the official basis for the government to declare a calamity and for banks to initiate relief.

89. (B) IFCI Ltd.
The credit enhancement guarantee scheme for scheduled castes is designed to encourage lending to entrepreneurs from these communities. IFCI Limited serves as the nodal agency responsible for issuing these guarantee covers to the participating banks. By providing this additional security, the scheme reduces the risk for lenders and makes it easier for SC entrepreneurs to access the capital needed for their businesses.

90. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Banks are expected to demonstrate empathy toward borrowers who are struggling to repay their loans due to unforeseen natural disasters. As a result, they are generally prohibited from charging penal interest on dues that fall into default because of a calamity. This sympathetic approach recognizes the immense difficulties faced by affected individuals and provides much-needed financial relief during a period of crisis.

91. (B) P-3, Q-2, R-1, S-4
Different national organizations use various strategies to promote financial literacy and sector-specific awareness. NABARD utilizes mobile demonstration vans to reach rural areas, while SIDBI provides industrial project profiles on its portal. NPCI focuses on digital payment literacy, and PFRDA conducts subscriber awareness programs for pension schemes. Together, these coordinated efforts ensure that diverse segments of the population receive relevant and practical financial education.

92. (B) (II) and (III)
Ensuring the availability of cash and banking services is a priority in calamity-affected areas. Banks are encouraged to set up mobile banking facilities and allow customers to use other ATM networks without extra charges. While these flexible measures are supported, any operation from temporary premises beyond thirty days requires specific regulatory approval to ensure that long-term service standards and security protocols are maintained.

93. (C) (I), (II), and (III)
The DRI scheme is a social welfare initiative that provides very low-interest loans to the poorest

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aspects of the bank's minority credit initiatives, ensuring compliance with national guidelines.

110. (C) To ensure that relief and assistance are provided with speed and without any loss of time during eventualities.
Banks are required to have a pre-approved blueprint of action for natural calamities to ensure they are prepared for sudden disasters. By having a set of standing procedures approved by the Board of Directors, bank staff can initiate relief measures immediately when a calamity is declared. This preparedness is essential to provide timely assistance to affected customers and minimize the economic impact of the event.

111. (D) (I), (II), (III), (IV), and (V)
The Prime Minister's 15 Point Program is a comprehensive framework for the welfare of minorities, implemented through various central ministries and state governments. It mandates that development projects be located in specific districts and that a portion of priority sector lending reaches these communities. Lead banks are required to integrate these requirements into their district credit plans to ensure targeted and effective implementation.

112. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
While it is true that account ownership in India increased dramatically by 2017, this growth in access does not automatically lead to effective use. This is why financial literacy is essential; it provides people with the knowledge to use their formal accounts wisely. Although both statements are correct, the increase in account numbers is a supply-side success, not a direct explanation.

113. (C) Ministry of Housing and Urban Affairs (MoHUA)
Monitoring the progress of urban livelihood programs involves a structured reporting chain from the local to the national level. Urban local bodies submit reports to the state-level mission, which then compiles the data. This consolidated information is communicated on a monthly basis to the Ministry of Housing and Urban Affairs, which holds administrative oversight of the program at the national level.

114. (A) (I), (II), and (III)
Advances classified as credit to weaker sections include those provided to scheduled castes, tribes, and minority communities, as well as loans for the rehabilitation of manual scavengers. Additionally, small overdrafts provided to PMJDY account holders fall into this category. These classifications ensure that banks focus a significant portion of their lending on segments of the population that are economically and socially disadvantaged.

115. (D) P-4, Q-1, R-2, S-3
Relief measures in calamity-affected areas include specific provisions for both consumption and production credit. Small consumption loans are available without collateral, and margin requirements for fresh loans can be waived or covered by subsidies. Furthermore, banks are prohibited from charging penal interest on defaulted dues and receive an interest subvention of two percent for the first year of restructured crop loans.

116. (D) Universal access, basic bouquet of services, livelihood access, financial literacy, customer protection, and effective coordination.
The National Strategy for Financial Inclusion is built upon six strategic pillars designed to ensure a comprehensive approach. These include providing universal access to banking, a basic bouquet of services, and access to livelihood opportunities. Additionally, the strategy emphasizes the importance of financial literacy, robust customer protection mechanisms, and effective coordination among all stakeholders to achieve the vision of inclusive economic growth.

117. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Group enterprises under the urban livelihoods mission must meet strict membership criteria to qualify for subsidized financing. Requiring at least seventy percent of members to be from urban poor families ensures that the program's resources are correctly targeted. This policy is designed to facilitate the economic rehabilitation of the most vulnerable urban residents by providing them with the necessary collective capital.

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(B) Because RBI prohibits banks from lending to small and marginal farmers to prevent the rise of non-performing assets in agriculture.
(C) Because the aggregate deposits under PMJDY accounts have decreased over the years, leaving banks with insufficient lendable capital.
(D) Because the all-in costs of credit from banks are high for agriculture and risk mitigation measures are currently insufficient.

Oct/Nov 2005

20. What is the primary conceptual barrier addressed by the BHIM-Aadhaar digital payment platform for rural customers?
(A) The need for citizens to possess smart phones, internet access, or debit cards to successfully execute digital transactions.
(B) The lack of mobile network coverage and stable internet infrastructure across all 600 thousand plus Indian rural villages.
(C) The high interest rates and hidden processing fees typically applied to micro-finance loans by non-institutional credit agencies.
(D) The mandatory requirement to maintain a minimum deposit of ₹10,000 in basic savings bank deposit accounts for rural households.

May/June 2020

21. Which statement correctly identifies a responsibility of the National Mission on Financial Inclusion (NaMFI)?
(A) Liquidating underperforming Regional Rural Banks and transferring their assets to the respective State Governments.
(B) Exclusively managing the deployment of Unstructured Supplementary Service Data codes for all private mobile operators.
(C) Suggesting overall policy changes for achieving financial inclusion goals and supporting various stakeholder initiatives.
(D) Setting the base year parameters for the computation of the Financial Inclusion Index across the Indian banking sector.

Oct/Nov 2015

22. In which year was the scheme of 'Service Area Approach' introduced for commercial banks?
(A) 1969
(B) 1975
(C) 1989
(D) 1996

May/June 2013

23. How does the Universal Basic Income (UBI) conceptually relate to the viability of Business Correspondents (BCs)?
(A) UBI replaces the need for BCs by directly mailing physical cash to rural households, eliminating the need for digital intermediaries.
(B) UBI heavily taxes BC transactions to fund rural infrastructure, decreasing overall profitability but improving broader social equity.
(C) UBI mandates that BCs offer zero-commission services to the public, thus acting as a purely philanthropic mechanism for banks.
(D) UBI increases transaction volume from government transfers, decreasing per unit fixed costs and increasing BC profitability.

Oct/Nov 2021

24. Which statement correctly identifies a feature of the Financial Inclusion Index (FI-Index)?
(A) It ranges from -100 to +100, where negative values indicate financial exclusion.
(B) It heavily weighs Quality at 45%, Usage at 35%, and Access at 20%.
(C) It is published triennially in the month of December.
(D) It incorporates details of banking, investments, insurance, postal, and the pension sector.

May/June 2024

25. What represents the core conceptual shift in rural banking operations prompted by the nationalization of commercial banks in 1969?
(A) A shift towards exclusively funding large-scale urban corporate enterprises to maximize the return on assets for public banks.
(B) The objective to "control the heights of economy" and serve as important instruments for the advancement of rural banking.
(C) The complete withdrawal of the State Bank of India from rural credit extension to focus on international trade and finance.
(D) The introduction of unregulated interest rates for all priority sector advances to

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CHAPTER 18

Role of Banking & Emerging Trends in Rural Banking

Oct/Nov 2012

1. What is the weighting assigned to the Usage parameter in the Financial Inclusion Index (FI-Index)?
(A) 20%
(B) 35%
(C) 45%
(D) 97%

May/June 2007

2. How do Rural Self Employment Training Institutes (RSETIs) facilitate the broader objective of financial inclusion?
(A) By directly providing universal basic income and monthly pensions to rural youths to stimulate local consumer demand.
(B) By replacing Lead District Managers in coordinating the efforts of consortium banks and setting the annual credit plans.
(C) By imparting short-term training and long-term hand-holding with assistance to credit linkage for entrepreneurship development.
(D) By mapping banking infrastructure data onto the Jan Dhan Darshak application to identify unbanked regions for future growth.

May/June 2019

3. What does Unstructured Supplementary Service Data (USSD) utilize to facilitate mobile transactions?
(A) A broadband internet connection via a smartphone application platform to verify identities during high-value transfers.
(B) A biometric thumb imprint scanner enabled on merchant devices to authenticate transactions for unbanked individuals.
(C) A GSM protocol to send text messages using codes made up of characters to facilitate various mobile transactions.
(D) An Aadhaar Bridge Payment System integrated with the National Payment Corporation of India's main processing servers.

Oct/Nov 2006

4. Which statement is correct regarding the aggregate deposits under PMJDY accounts between August 2015 and August 2021?
(A) The deposits decreased by 6.3 time over the six-year period.
(B) The deposits remained static at ₹1.46 lakh crore throughout the period.
(C) The deposits increased 6.3 time over the six-year period.
(D) The deposits were entirely transferred to the National Payment Corporation of India.

May/June 2021

5. Why did the Committee on Medium Term Path to Financial Inclusion emphasize formal finance over informal sources?
(A) Formal finance eliminates the need for any risk mitigation measures for borrowers, ensuring automatic repayment of all loans.
(B) Formal finance empowers underserved sections to be stakeholders in economic progress, countering the high costs of informal credit.
(C) Informal sources provide adequate credit absorption capacity but lack digital apps to track the flow of money in rural areas.
(D) Formal finance guarantees a minimum credit-deposit ratio of 100% across all rural districts to prevent regional economic disparities.

Oct/Nov 2010

6. Which statement is true concerning the poverty reduction statistics cited in the Economic Survey 2016-17?
(A) Poverty decreased from about 90% at independence to 10% in 2011-12.
(B) Poverty decreased from about 70% at

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118. (D) The Community Based Repayment mechanism (CBRM) is formed exclusively at the national level to assume all loan liabilities.
State Rural Livelihoods Missions provide extensive support to banks by developing strategic partnerships and helping groups with financial literacy. They also assist in monitoring loans and improving service quality. However, the Community Based Repayment Mechanism is not a national-level entity that assumes liabilities; it is a local-level arrangement designed to ensure group accountability and regular repayment to the bank branch.

119. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Credit planning at the district level must give priority to scheduled castes and tribes to support national social and economic goals. This weightage is necessary because lending to these communities is officially classified as credit to weaker sections under priority sector guidelines. By stepping up advances to these groups, banks fulfill their regulatory obligations while contributing to the empowerment of marginalized sections.

120. (A) Facilitating access to Credit Cards or MUDRA Cards through banks.
Micro-entrepreneurs often face challenges due to irregular cash flows and the need for quick access to working capital. To address this, the urban livelihoods mission aims to facilitate access to credit cards or MUDRA cards through the banking system. These tools provide entrepreneurs with the flexibility to manage their day-to-day business expenses more effectively, reducing their reliance on informal credit.

121. (D) Circulars issued by authorities need not be circulated among bank staff as they are meant only for Board members.
Effective implementation of minority credit schemes requires that all bank staff are well-informed and supportive of the program. Staff are encouraged to help poor borrowers with forms and ensure subsidies are released promptly to prevent under-financing. Suggesting that official circulars should be kept only at the board level is incorrect, as branch-level staff must understand the guidelines to serve customers.

122. (C) P-4, Q-3, R-2, S-1
Monitoring the diverse components of financial inclusion requires different reporting schedules tailored to each program. While some data is reported according to specific master directions, other programs require quarterly or monthly updates to central ministries. For instance, progress on minority credit is typically furnished on a half-yearly basis. These varied reporting frequencies ensure that authorities can track and respond to the progress.

123. (C) To provide an environment supporting micro-enterprises through registration, marketing, and feasibility services.
City Livelihoods Centres are designed to act as comprehensive support hubs for urban entrepreneurs. They provide a range of services including assistance with business registration, marketing of products, and conducting feasibility studies for new ventures. By creating an environment that supports the growth and sustainability of micro-enterprises, these centers help urban residents improve their income-earning potential and long-term economic stability.

124. (A) 5%
The margin money scheme managed by the national minority corporation is designed to keep the entry barrier for entrepreneurs as low as possible. Under this arrangement, the bulk of the project funding is provided by the corporation and the state agency as a loan. The individual beneficiary is only required to contribute a small margin of five percent of the total project cost.

125. (B) Swarnajayanti Gram Swarozgar Yojana (SGSY)
To maximize the impact of skill development and employment efforts, the government recommends the convergence of objectives across current programs. This includes aligning the efforts of the rural and urban livelihoods missions with initiatives like the Pradhan Mantri Kaushal Vikas Yojana. SGSY was the previous rural self-employment scheme that was restructured into the current mission, so it is not.

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farm credit over a specified financial year to ensure adherence to priority targets.

May/June 2025

13. What is the strategic rationale behind mandating Scheduled Commercial Banks to open 25% of total new branches in unbanked rural centres?
(A) To promote financial inclusion and extend the banking network into Tier 5 and Tier 6 centres.
(B) To ensure banks entirely abandon Tier 1 centres due to market saturation.
(C) To convert all unbanked rural centres into urban commercial hubs within five years.
(D) To force Regional Rural Banks out of the rural credit market by creating intense competition.

Oct/Nov 2019

14. What underlying strategy was recommended by the Dr. C. Rangarajan Committee to improve credit absorption capacity?
(A) Completely replacing the formal credit delivery mechanism with unorganized sector entities to bypass traditional banking regulations.
(B) Forcing the merger of all Regional Rural Banks into a single national agricultural bank to centralize credit control and oversight.
(C) Evolving new outreach models and leveraging technology-based solutions alongside improvements in existing formal mechanisms.
(D) Eliminating priority sector lending to reduce the actual non-performing assets of public sector banks and improve their balance sheets.

May/June 2009

15. Which statement accurately details the role of Financial Literacy Centres (FLCs)?
(A) FLCs charge a nominal fee of ₹100 per session for their bank-neutral advisory services.
(B) FLCs are mandated to conduct a minimum of ten camps per week during branch hours.
(C) FLCs exclusively target corporate clients to improve the credit-deposit ratio in urban sectors.
(D) FLCs have seasoned bankers as Counselors who provide bank-neutral service, free of cost.

Oct/Nov 2011

16. What is the fundamental purpose of the Direct Benefit Transfer (DBT) mechanism?
(A) To transfer subsidies directly to citizens' bank accounts, acting as a catalyst for saving habits and household investment.
(B) To channelize agricultural loans directly to cooperative societies without the use of intermediary commercial bank systems.
(C) To enable interoperable financial inclusion transactions at Micro ATMs using Aadhaar authentication for rural customers.
(D) To automatically convert outstanding priority sector loans into non-performing assets based on local rural credit history.

May/June 2010

17. Which statement correctly describes the performance of public sector banks relative to private and foreign banks in rural lending?
(A) The performance of some public sector banks is inadequate, but the performance of most private and foreign banks is even lower.
(B) Private and foreign banks perform significantly better than public sector banks in rural and agricultural lending.
(C) The performance of public sector banks is adequate, completely fulfilling the demands of commercialized agriculture.
(D) Foreign banks lead rural lending, accounting for 66% of all credit advanced to rural households.

Oct/Nov 2024

18. According to the 77th round of the NSSO survey, what was the incidence of indebtedness in rural India as of 30 June, 2018?
(A) 10.2%
(B) 17.8%
(C) 22.4%
(D) 35%

May/June 2017

19. Why does the credit-deposit ratio continue to be a structural concern in rural areas despite intermediation by banks?
(A) Because rural households completely refuse to hold bank accounts under any scheme due to a deep mistrust of the formal sector.

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independence to about 22% in 2011-12.

(C) Poverty remained stagnant at 51.4% from independence until 2008.

(D) Poverty increased from 22% to 35% over the last decade due to high transaction costs.

May/June 2005

7. What defines an Unbanked Rural Centre (URC)?

(A) A rural Tier 3 or 4 centre that currently lacks a physical cooperative bank branch for standard customer-based banking operations.

(B) A rural Tier 5 or 6 centre lacking a CBS-enabled banking outlet from any scheduled commercial, payment, or co-operative bank.

(C) Any rural village with a population below 5,000 that lacks access to an automated teller machine or a business correspondent.

(D) A rural Tier 1 to 4 centre that operates without a direct benefit transfer linkage or access to a localized regional rural bank.

Oct/Nov 2022

8. How does the FI-Index differ structurally from traditional economic indices regarding its baseline measurement?

(A) It is computed on a decadal basis rather than an annual basis to capture long-term structural changes in the rural economy.

(B) It is constructed without a 'base year', reflecting cumulative efforts of all stakeholders over the years toward inclusion.

(C) It relies entirely on surveys from non-institutional credit agencies and unorganized lenders to determine current credit flow.

(D) It sets the base year at 2008 to align with the Dr. C. Rangarajan Committee report findings on the state of exclusion.

May/June 2018

9. Which statement correctly reflects the status of banking outlets mapped by the Jan Dhan Darshak app?

(A) There are 1.66 lakh mapped villages, all of which are exclusively served by ATMs without any physical branch presence.

(B) There are 5.53 lakh mapped villages, of which 5.52 lakh have a branch or BC within a distance of five kilometers.

(C) There are 2.07 lakhs BCs and 4.35 lakh ATMs across the country, serving both urban and rural centers in every state.

(D) Exactly 50% of the mapped villages lack any access to banking outlets within a distance of ten kilometers from the center.

Oct/Nov 2016

10. Under the National Rural Financial Inclusion Plan (NRFIP), what was the target for providing access to excluded rural households per branch per annum?

(A) 100 cultivator households

(B) 250 new cultivator and non-cultivator households

(C) 500 agricultural laborers

(D) 1,000 rural households

May/June 2014

11. Which statement accurately describes the trend in indebtedness across rural and urban segments with increasing asset holding?

(A) The share of households indebted to non-institutional agencies increases for both rural and urban segments as they acquire more land.

(B) The share of households indebted to institutional agencies decreases sharply in rural segments regardless of their asset holdings.

(C) The share of households indebted to institutional agencies remains flat regardless of asset holding in both urban and rural segments.

(D) The share of households indebted to institutional agencies generally increases for both rural and urban segments as the value of their assets increases.

Oct/Nov 2007

12. How is the quality parameter defined within the Financial Inclusion Index (FI-Index)?

(A) A measurement of the total number of physical banking outlets opened in unbanked Tier 5 and 6 rural and semi-urban centres.

(B) A metric that evaluates the credit-deposit ratio across various rural regions to determine the efficiency of bank lending.

(C) A parameter capturing aspects of inclusion reflected by literacy, consumer protection, and inequalities in services.

(D) A continuous tracking of the outstanding

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ensure banks remain profitable in rural areas.

Oct/Nov 2008

26. What is the defining characteristic of the Jan Dhan Darshak App?

(A) It acts as a real-time payment system for peer-to-peer and person-to-merchant transactions within rural Tier 5 and 6 sectors.

(B) It replaces the Unified Payments Interface by enabling offline cashless payments for rural customers without internet access.

(C) It calculates the composite Financial Inclusion Index on an annual basis for the Reserve Bank of India to track policy.

(D) It provides an interface for citizens to view banking infrastructure such as branches, ATMs, post offices, and CSC locations.

May/June 2006

27. Which statement accurately outlines the branch expansion rules for Tier 1 centres?

(A) Branches in Tier 1 centres cannot exceed branches in Tier 2-6 and the North Eastern States plus Sikkim combined.

(B) Banks must open exactly 50% of their total branches in Tier 1 centres to maintain urban financial stability and liquidity.

(C) Tier 1 centres are defined as locations with a population up to 99,999 according to the latest national census data.

(D) RBI explicitly prohibits Scheduled Commercial Banks from opening branches in Tier 1 centres without prior legislative approval.

Oct/Nov 2017

28. Which section of the Reserve Bank of India Act, 1934 mandates RBI to be closely involved in matters relating to rural credit and banking?

(A) Section 25

(B) Section 42

(C) Section 54

(D) Section 56

May/June 2008

29. Which statement accurately describes the findings regarding rural credit cost?

(A) The all-in costs of credit from banks appear exceptionally low for agriculture relative to the private corporate sector.

(B) A significant share of rural households relies exclusively on institutional sources of credit due to zero non-performing assets.

(C) A significant share of rural households still depends on non-institutional sources of credit, regardless of their assets.

(D) The cost of credit in micro finance is heavily subsidized, standing at around 2% to 3% per cent.

Oct/Nov 2013

30. How do Payment Banks conceptually differ from Small Finance Banks (SFBs) in their financial inclusion role?

(A) Payment Banks provide large-scale agricultural loans, while SFBs strictly manage foreign exchange and urban infrastructure projects.

(B) Payment Banks are restricted to urban areas, whereas SFBs operate exclusively in Tier 5 and 6 centres to provide credit.

(C) Payment Banks do not utilize modern technology, relying on manual ledgers, whereas SFBs are entirely digital and automated entities.

(D) Payment Banks focus on remittance services, whereas SFBs enhance the supply of credit to small business units and marginal farmers.

May/June 2015

31. Which statement incorrectly details the recommendations of the Committee on Financial Inclusion (2008) regarding commercial banks?

(A) Targeting credit provision to at least 250 excluded rural households per annum in each rural/semi urban branch.

(B) Incentivizing human resources for providing inclusive financial services.

(C) Immediate merger of all Regional Rural Banks into commercial banks.

(D) Simplification of procedures for agricultural loans.

Oct/Nov 2012

32. All of the following are dimensions under the Quality parameter of the FI-Index, EXCEPT:

(A) Financial literacy

(B) Branch profitability margins

(C) Consumer protection

(D) Inequalities and deficiencies in services

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(C) Prohibiting BCs from offering any government entitlement schemes to rural or semi-urban citizens.
(D) Limiting the operational hours of BCs to one day per week to minimize local utility overheads.

Oct/Nov 2010

48. Which statement regarding the penetration of banking services and URCs is incorrect?
(A) SLBC convenor banks were advised to give priority to URCs having a population above 5,000.
(B) Unbanked Rural Centers (URCs) are strictly defined as Tier 1 and Tier 2 centres with a population exceeding 100,000.
(C) SLBCs were advised to compile and maintain an updated list of all URCs in the state.
(D) The use of information technology and intermediaries has made it possible to increase outreach at an affordable cost.

May/June 2005

49. According to the Dr. C. Rangarajan Committee, major recommendations relating to RRBs include all of the following, EXCEPT:
(A) Narrowing their network and limiting coverage to urban hubs.
(B) Extending their services to unbanked areas.
(C) Increasing their credit-deposit ratios.
(D) Drawing up separate credit plans for excluded regions.

Oct/Nov 2022

50. The FI-Index captures details from all of the following sectors, EXCEPT:
(A) Banking
(B) Insurance
(C) Real Estate
(D) Postal

May/June 2018

51. What is the most accurate description of the demographic distribution of PMJDY account holders as of August 2021?
(A) About 90% of account holders are men, and 80% of accounts are in urban areas to support high-value industrial transactions.
(B) Exactly 34% of account holders are women, heavily concentrated in Tier 1 centres with a high density of foreign bank outlets.
(C) Accounts are equally split 50/50 between rural and urban, with male account holders holding nearly 100% of the total deposits.
(D) About 55% of account holders are women, and about 67% of accounts are located in rural and semi-urban areas.

Oct/Nov 2016

52. Which statement inaccurately represents the Aadhaar-Enabled Payment System (AePS)?
(A) It is a bank led model.
(B) It allows online interoperable financial inclusion transactions at PoS (Micro ATM).
(C) It facilitates transactions through the Business Correspondent of any bank using Aadhaar authentication.
(D) It limits the user to perform only a single specific type of transaction, which is cash deposit.

May/June 2014

53. The Dr. C. Rangarajan Committee (2008) recommended building an inclusive financial sector based on several strategies, EXCEPT:
(A) Effecting improvements within the existing formal credit delivery mechanism.
(B) Evolving new models for effective outreach.
(C) Entirely replacing formal bank accounts with unregulated informal micro-credit pools.
(D) Leveraging on technology-based solutions.

Oct/Nov 2007

54. What is the primary reason for banks facing high transaction costs in their rural branches?
(A) Advanced infrastructure necessitating highly paid foreign technical staff.
(B) The mandatory requirement to install at least ten biometric scanners per branch.
(C) A large number of accounts dealing in small amounts, lack of infrastructure, and difficulty in getting financial information on rural borrowers.
(D) Excessive deployment of automated teller machines compared to urban centres.

May/June 2025

55. All of the following institutions were permitted or established to supplement rural credit delivery, EXCEPT:
(A) Sovereign Wealth Funds
(B) Regional Rural Banks (RRBs)

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(A) It captures the extent of financial inclusion across the country in a single value ranging between 0 and 100.
(B) It comprises three broad parameters: Access, Usage, and Quality.
(C) It includes 97 indicators representing ease of access, availability, usage, and quality of services.
(D) It incorporates a base year of 2017 to compute all cumulative percentage variations.

May/June 2007

41. Arrange the following events in the correct chronological order:
I Introduction of the Service Area Approach
II Establishment of Regional Rural Banks
III Nationalization of 14 major commercial banks
IV Permission to set up Local Area Banks
(A) III, II, I, IV
(B) II, III, IV, I
(C) III, I, II, IV
(D) I, III, II, IV

Oct/Nov 2025

42. Which statement regarding the progress of Financial Inclusion Plans (FIPs) by End-March 2019 is incorrect?
(A) The total number of Basic Savings Bank Deposit Accounts (BSBDA) through BCs was 319 million.
(B) The total number of BSBDA through branches was 255 million.
(C) The amount in BSBDA through BCs was ₹878 Billion, which was higher than the amount through branches.
(D) The total number of Kisan Credit Card (KCC) accounts stood at 49 million.

May/June 2012

43. The NSSO 77th round survey revealed several metrics regarding indebtedness. Which of the following is NOT a finding of this survey?
(A) Incidence of indebtedness on 30 June, 2018 was about 35% in rural India.
(B) Urban households indebted to non-institutional credit agencies stood at 49.5%.
(C) Incidence of indebtedness on 30 June, 2018 was 22.4% in urban India.
(D) Rural households indebted to non-institutional credit agencies stood at 10.2%.

Oct/Nov 2014

44. Financial Inclusion efforts in India have seen several institutional mechanism setups. Which of the following is NOT part of this specific framework?
(A) Financial Stability and Development Council (FSDC)
(B) Financial Inclusion Advisory Committee (FIAC)
(C) State Level Bankers Committee (SLBC)
(D) National Payment Regulator for Non-Institutional Credit (NPRNIC)

May/June 2019

45. In the context of the National Strategy for Financial Inclusion 2019-2024, what is the most fundamental goal regarding citizen access?
(A) To issue a mandatory credit card to every citizen regardless of income.
(B) To replace the RBI with a multi-stakeholder corporate board.
(C) To make formal financial services available, accessible, and affordable to all citizens in a safe and transparent manner.
(D) To ensure every household takes a loan from a micro-finance institution at 20% interest.

Oct/Nov 2006

46. Which statement regarding the outstanding farm credit from 2009-10 to 2019-20 is incorrect?
(A) Outstanding under farm credit increased from ₹4.21 lakh crore to ₹14.08 lakh crore.
(B) Large corporate agribusinesses constitute more than 90% of the farm credit loan accounts.
(C) Small farmers' accounts constitute more than 50% of the loan accounts of the credit agencies.
(D) The increase is reflective of the outreach efforts of credit agencies and initiatives of GOI and RBI.

May/June 2021

47. Which intervention is most likely to reduce the per-unit fixed cost of Business Correspondents (BCs) and expand their coverage?
(A) Restricting BC operations strictly to manual paper-based ledger systems for all transactions.
(B) An endogenous increase in the volume of transactions driven by mechanisms such as Universal Basic Income (UBI) transfers.

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May/June 2011

33. Which statement incorrectly describes the establishment and structure of Regional Rural Banks (RRBs)?
(A) They were established in different states in the year 1975.
(B) They were established with 100% equity participation exclusively from the Central Government.
(C) They were set up to supplement the efforts of cooperatives and commercial banks.
(D) They involved equity participation from commercial banks, Central, and State Governments.

Oct/Nov 2020

34. What is the most significant advantage of the FI-Index not having a 'base year'?
(A) It eliminates the need for any data collection from the postal and pension sectors by focusing only on commercial bank branches.
(B) It ensures the index value will always artificially remain below 50 regardless of the actual improvements in rural credit availability.
(C) It prevents the RBI from publishing the index on an annual basis to avoid the volatility associated with seasonal agricultural cycles.
(D) It allows the index to reflect the cumulative efforts of all stakeholders over the years towards achieving financial inclusion.

May/June 2022

35. All of the following parameters of the Financial Inclusion Index (FI-Index) constructed by RBI, EXCEPT:
(A) Affordability
(B) Access
(C) Usage
(D) Quality

Oct/Nov 2023

36. What is the main objective behind establishing Centres for Financial Literacy (CFLs) at the block level on a pilot basis?
(A) To have an exclusive focus on financial literacy at the ground level, addressing the skewed distribution of existing FLCs and limited outreach.
(B) To process commercial agricultural loans directly without bank intervention.
(C) To distribute Universal Basic Income manually in remote villages.
(D) To collect demographic data for the NSSO annual surveys.

May/June 2016

37. Which statement inaccurately describes the All-India Rural Credit Survey 1951-52?
(A) It concluded that cooperation has succeeded and requires no further intervention.
(B) It made agency-wise estimates of rural indebtedness.
(C) The major initiative in pursuance of the RBI mandate was taken with the commissioning of this survey.
(D) The Report of the Committee on Directions is still considered as a standard of excellence on the subject.

Oct/Nov 2009

38. Under the Revamped Lead Bank Scheme, action points cover all of the following alignments, EXCEPT:
(A) Alignment of corporate business targets for branches.
(B) Alignment of blocks and districts with an Annual Credit Plan (ACP).
(C) Standardization of information/data management flow.
(D) Alignment of multinational bank mergers with Global Corporate Expansion protocols.

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May/June 2023

39. What is the best explanation for why the Committee on Directions in 1954 stated that "cooperation has failed but it must succeed"?
(A) The committee found that cooperative societies were highly profitable but structurally illegal.
(B) The committee determined that commercial banks had successfully replaced all need for cooperatives.
(C) The committee concluded that cooperatives were obsolete and should be replaced by private lenders.
(D) The committee observed rural indebtedness and recognized that cooperative credit was essential for advancement.

Oct/Nov 2018

40. Which statement incorrectly characterizes the structure and coverage of the Financial Inclusion Index (FI-Index)?

(C) Local Area Banks
(D) Small Finance Banks

Oct/Nov 2019

56. Which statement concerning the Financial Inclusion Advisory Committee (FIAC) is incorrect?
(A) It functions under the Chairmanship of the Governor of RBI.
(B) It was constituted by the RBI to spearhead efforts towards greater financial inclusion.
(C) It initiated the process of formulation of the National Strategy for Financial Inclusion (NSFI) for the period 2019-2024.
(D) It has few Directors from the Central Board of RBI and experts drawn from the NGO sector/other civil society representatives.

May/June 2009

57. According to the Dr. C. Rangarajan Committee, what is the most acute factor driving financial exclusion among farmer households?
(A) Geographical concentration of exclusion in the Central, Eastern, and North-Eastern regions.
(B) Refusal of large agribusinesses to accept formal credit due to high reporting requirements and collateral.
(C) Excessive penetration of Point of Sale (PoS) devices in rural areas confusing marginal farmers in the process.
(D) Over-reliance of farmers on credit cards over traditional bank loans for meeting long-term agricultural needs.

Oct/Nov 2011

58. Which statement is incorrect regarding the nature of micro-finance progress in rural areas?
(A) Micro finance has universally replaced institutional bank lending across all Central and Eastern regions.
(B) There has been notable progress in micro finance.
(C) Micro finance is mostly confined to the states with fairly well-developed banking systems.
(D) The cost of credit in micro finance appears high, at around 20% to 30%.

May/June 2010

59. What is the most critical supply-side constraint that historically impeded the progress of financial inclusion in rural areas?
(A) The over-saturation of bank branches in Tier 6 centres across the country.
(B) The excessive credit absorption capacity of marginal farmers and local laborers.
(C) The absence of technology, which restricted expansion of services to far-flung areas.
(D) The high literacy rates demanding complex derivative products in the rural market.

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Oct/Nov 2024

60. All of the following target groups are specifically mentioned for tailored camps conducted by Financial Literacy Centres (FLCs), EXCEPT:
(A) Farmers
(B) Corporate executives
(C) Small entrepreneurs
(D) School students

May/June 2017

61. Match the following financial technology terms in List I with their descriptions in List II.
List I: (Technology Term)
P. AePS
Q. BHIM
R. DBT
S. USSD
List II: (Description)
1. Mobile payment App developed by NPCI based on UPI
2. Initiative to transfer subsidies directly to citizens' bank accounts
3. Bank led model allowing online interoperable transactions at PoS
4. GSM protocol used to send text messages via mobile phone
(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

Oct/Nov 2005

62. Consider the following statements regarding poverty and Business Correspondents:
I According to the Tendulkar Committee, poverty dropped from about 70% at independence to about 22% in 2011-12.
II A Universal Basic Income (UBI) would likely lead to an endogenous increase in

(D) The Annual Credit Plan (ACP)

Oct/Nov 2008

110. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Examine these two statements carefully and select the correct answer using the codes given below.
Assertion (A): Direct Benefit Transfer (DBT) can act as a catalyst to encourage saving habits leading to the build-up of investment.
Reason (R): Entitlements under various state sponsored schemes start directly flowing into the bank accounts of individuals under the DBT mode.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2006

111. In the same NSSO survey analysis, as the asset holding increases, what happens to the share of households indebted to non-institutional agencies for the rural segment compared to the urban segment?
(A) It decreases for both rural and urban segments equally.
(B) It increases rapidly for the rural segment but drops for the urban segment.
(C) It becomes the sole source of credit for the urban segment.
(D) It decreases for both segments, although rural households maintain a higher reliance on non-institutional credit across asset classes.

Oct/Nov 2017

112. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Examine these two statements carefully and select the correct answer using the codes given below.
Assertion (A): On the supply side, the absence of technology was historically a major impediment to the progress of financial inclusion.
Reason (R): The absence of technology restricted the expansion of banking services to far-flung areas of the country, comprising over 600 thousand villages.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2008

113. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Examine these two statements carefully and select the correct answer using the codes given below.
Assertion (A): Micro finance has solved the high cost of credit issue in rural areas by offering interest rates below 5%.
Reason (R): Micro finance is mostly confined to the states with fairly well-developed banking systems and its cost of credit remains high at around 20% to 30%.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2013

114. The economist notes that the FI-Index score rose from 43.4 in 2017 to 53.9 in 2021. Since the index is constructed without a 'base year', what does this continuous measurement primarily reflect?
(A) The exact number of physical branches closed during that period.
(B) The cumulative efforts of all stakeholders over the years towards financial inclusion.
(C) The inflation-adjusted cost of transaction fees applied by Business Correspondents.
(D) The percentage of citizens who completely rely on non-institutional credit.

May/June 2015

115. Continuing with Bank Alpha's expansion plan, if the bank successfully opens exactly 40 branches across Tier 2 to Tier 6 centres combined with all centres in the North Eastern States and Sikkim,

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correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

May/June 2006

69. Consider the following statements regarding the Dr. C. Rangarajan Committee Report (2008):
I 51.4% of farmer households are financially excluded from both formal and informal sources.
II Financial exclusion is most acute in Central, Eastern, and North-Eastern regions, with 64% exclusion.
III The Committee recommended shutting down all micro-finance institutions to consolidate formal credit.
Which of the statements given above are correct?
(A) Only (I) and (II) are correct
(B) Only (II) and (III) are correct
(C) Only (I) and (III) are correct
(D) All (I), (II), and (III) are correct

Oct/Nov 2017

70. Match the banking outlet mappings per the Jan Dhan Darshak app in List I with their values in List II.
List I: (Mapped Outlet)
P. Total mapped bank branches
Q. Total mapped BCs
R. Total mapped ATMs
S. Mapped villages with branch or BC within 5 km
List II: (Numerical Value)
1. 1.66 lakh
2. 5.52 lakh
3. 4.35 lakh
4. 2.07 lakhs
(A) P-1, Q-4, R-3, S-2
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

May/June 2008

71. Consider the following statements regarding the National Strategy for Financial Inclusion 2019-2024:
I It was prepared under the aegis of the Financial Inclusion Advisory Committee.
II It envisions making formal financial services available, accessible, and affordable to all citizens.
III It proposes forward-looking recommendations leveraging the BC Model.
IV It seeks to eliminate customer protection and grievance redressal to speed up transaction processing.
Which of the statements given above are correct?
(A) Only (I), (II), and (III) are correct
(B) Only (II), (III), and (IV) are correct
(C) Only (I), (III), and (IV) are correct
(D) All (I), (II), (III), and (IV) are correct

Oct/Nov 2013

72. Match the parameters of the Financial Inclusion Index (FI-Index) in List I with their respective weights or indicators in List II.
List I: (Parameter/Metric)
P. Access
Q. Usage
R. Quality
S. Total number of indicators
List II: (Weight/Indicator Count)
1. 20%
2. 97
3. 35%
4. 45%
(A) P-3, Q-4, R-1, S-2
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

May/June 2015

73. Consider the following statements regarding financial inclusion planning:
I Under the NRFIP, the target was to provide access to comprehensive financial services to at least 50% of the excluded rural households by 2012.
II The National Mission on Financial Inclusion (NaMFI) is responsible for undertaking promotional initiatives in the domain of public, private, and NGO sectors.
Which of the statements given above is/are correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

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correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

Oct/Nov 2014

86. Match the following committees/groups in List I with their respective mandates or actions in List II.
List I: (Committee/Group)
P. Committee on Directions (1954)
Q. Dr. C. Rangarajan Committee (2008)
R. Vaidyanathan Committee
S. Tendulkar Committee
List II: (Mandate/Action)
1. Revival Package for co-operative banks
2. Poverty statistics indicating 22% at 2011-12
3. Report considered a standard of excellence on rural credit
4. Recommended National Rural Financial Inclusion Plan (NRFIP)
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-2, Q-1, R-4, S-3

May/June 2019

87. Consider the following statements regarding the branch expansion program and availability:
I Population per rural branch steeply declined from 82,000 in 1969 to 14,000 in 1991.
II Tier 5 and Tier 6 centres are defined as having a population up to 9,999.
III Regional Rural Banks are excluded from the general permission to open branches without prior RBI approval.
Which of the statements given above are correct?
(A) Only (I) and (II) are correct
(B) Only (II) and (III) are correct
(C) Only (I) and (III) are correct
(D) All (I), (II), and (III) are correct

Oct/Nov 2006

88. Match the tier classifications and populations in List I with their corresponding thresholds in List II.
List I: (Classification/Requirement)
P. Tier 1 centres population threshold
Q. Tier 5 and Tier 6 centres population limit
R. Unbanked villages requiring CBS outlet consideration
S. Priority population threshold for URCs in tier-5
List II: (Population Threshold)
1. Population less than 2,000
2. Population above 5,000
3. Population up to 9,999
4. Population 100,000 and above
(A) P-4, Q-3, R-1, S-2
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

May/June 2021

89. Consider the following statements regarding the recommendations of the Dr. C. Rangarajan Committee:
I Target for providing access to credit to at least 250 excluded rural households per annum.
II Provision of customized savings, credit, and insurance products.
III Extending RRB services to unbanked areas.
IV Further merger of RRBs to reduce institutional footprint.
V Use of PACS and other primary co-operatives as BCs.
Which of the statements given above are correct?
(A) Only (I), (II), and (III) and (V) are correct
(B) Only (II), (III), (IV), and (V) are correct
(C) Only (I), (III), (IV), and (V) are correct
(D) All (I), (II), (III), (IV), and (V) are correct

Oct/Nov 2010

90. Which of the following pairs of FI-Index parameters and their weights is incorrectly matched?
(A) Financial Literacy - 10%
(B) Access - 35%
(C) Usage - 45%
(D) Quality - 20%

May/June 2005

91. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Examine these two statements carefully and select the correct answer using the codes given below.
Assertion (A): Scheduled Commercial Banks must open at least 25% of their total new branches in unbanked rural Tier 5 and Tier 6 centres.
Reason (R): Tier 5 and Tier 6 centres are defined

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Oct/Nov 2009

80. Which of the following pairs of financial entities and their primary function/characteristic is incorrectly matched?
(A) Payment Banks - Cost-efficient remittance services.
(B) Small Finance Banks - Enhancing supply of credit to small business units and marginal farmers.
(C) RSETIs - Short term training and long-term hand holding with assistance to credit linkage.
(D) Lead District Managers - Regulating the equity participation of Central Government in RRBs.

May/June 2023

81. Consider the following statements about PMJDY and AePS:
I PMJDY accounts increased to 44.05 crore by Dec 2021.
II 55% of Jan Dhan account holders are women.
III AePS is a bank-led model allowing online interoperable financial inclusion transactions at PoS.
IV AePS restricts the user to exactly two types of transactions.
Which of the statements given above are correct?
(A) Only (I), (II), and (III) are correct
(B) Only (II), (III), and (IV) are correct
(C) Only (I), (III), and (IV) are correct
(D) All (I), (II), (III), and (IV) are correct

Oct/Nov 2018

82. Consider the following statements regarding the evolution of rural banking:
I The State Bank of India Act was enacted in 1955 to extend banking facilities on a large scale.
II 14 major commercial banks were nationalized in 1969.
III Regional Rural Banks were established in 1975.
IV Permission to set up Local Area Banks was given in the year 1996-97.
Which of the statements given above are correct?
(A) Only (I), (II), and (III) are correct
(B) Only (II), (III), and (IV) are correct
(C) Only (I), (III), and (IV) are correct
(D) All (I), (II), (III), and (IV) are correct

May/June 2007

83. Match the regulatory/advisory bodies in List I with their corresponding composition or role in List II.
List I: (Body/Entity)
P. FSDC Technical Group on financial inclusion
Q. Financial Inclusion Advisory Committee (FIAC)
R. State Level Bankers Committee (SLBC)
S. Lead Bank Scheme Consortium
List II: (Role/Composition)
1. Under the aegis of FSDC, Chaired by a Deputy Governor
2. Initiated the formulation of NSFI, Chaired by Deputy Governor
3. Supported by Lead District Managers
4. One designated bank acts as the consortium leader
(A) P-1, Q-2, R-3, S-4
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

Oct/Nov 2025

84. Consider the following statements concerning the Jan Dhan Darshak App:
I The data is collated by the Department of Financial Services.
II It maps the banking infrastructure consisting of bank branches, ATMs, bank mitras, post offices, and CSC locations.
III Out of 5.53 lakh mapped villages on the app, 5.52 lakh villages have a branch or BC within 5 kilometers.
Which of the statements given above are correct?
(A) Only (I) and (II) are correct
(B) Only (II) and (III) are correct
(C) Only (I) and (III) are correct
(D) All (I), (II), and (III) are correct

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May/June 2012

85. Consider the following statements regarding digital payments:
I BHIM developed by NPCI is interoperable with other Unified Payment Interface applications.
II Any Indian citizen must possess a smart phone and internet access to transact digitally through the BHIM Aadhaar platform.
Which of the statements given above is/are

encourage saving habit.
V RSETIs are exclusively managed by the Ministry of Rural Development without bank cooperation.

Which of the statements given above are correct?
(A) Only (I), (II), (III), and (IV) are correct
(B) Only (II), (III), (IV), and (V) are correct
(C) Only (I), (III), (IV), and (V) are correct
(D) All (I), (II), (III), and (IV), and (V) are correct

Oct/Nov 2019

98. Bank Alpha plans to open 100 new branches during the financial year. It aims to maximize its presence in Tier 1 centres while strictly complying with regulatory mandates regarding unbanked rural centres. What is the minimum number of branches Bank Alpha must open in unbanked rural centres (Tier 5 and Tier 6)?
(A) 10
(B) 15
(C) 25
(D) 35

May/June 2009

99. When calculating the overall composite score, what exact mathematical weight will the economist apply to the 'Usage' parameter of the FI-Index?
(A) 20%
(B) 35%
(C) 45%
(D) 97%

Oct/Nov 2011

100. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Examine these two statements carefully and select the correct answer using the codes given below.
Assertion (A): The composite Financial Inclusion Index (FI-Index) captures data from the banking, investments, insurance, postal, and pension sectors.
Reason (R): The FI-Index has been strictly constructed with a base year of 2017 to provide a normalized baseline.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2010

101. A micro-finance institution (MFI) is planning to expand its operations in a rural region but faces regulatory and public criticism regarding the cost of credit. What is the typical cost of credit that causes concern regarding micro-finance institutions (MFI)?
(A) Around 2% to 5%
(B) Around 8% to 12%
(C) Around 20% to 30%
(D) Around 50% to 60%

Oct/Nov 2024

102. Consider the following statements regarding technology interventions in rural banking:
I BHIM developed by NPCI enables fast, secure, reliable cashless payment.
II Any citizen without access to smart phones can transact digitally through BHIM Aadhaar using a biometric reader.
III The volume of digital transactions was 44 billion records across India during FY 2021.
IV USSD uses codes made up of characters available on a mobile phone to send text messages.
V BHIM is completely disconnected from the Unified Payment Interface network.

Which of the statements given above are correct?
(A) Only (I), (II), (III), and (IV) are correct
(B) Only (II), (III), (IV), and (V) are correct
(C) Only (I), (III), (IV), and (V) are correct
(D) All (I), (II), (III), (IV), and (V) are correct

May/June 2017

103. For Bank Alpha to correctly classify a targeted rural location as a Tier 5 or Tier 6 centre for the purpose of meeting the unbanked rural centre mandate, the population of that location must not exceed which threshold?
(A) 1,999
(B) 4,999
(C) 9,999
(D) 99,999

Oct/Nov 2005

104. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Examine these two

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as locations having a population of 100,000 and above.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2022

92. In District X, Bank Beta has been assigned lead bank responsibility by the Reserve Bank. Based on the Revamped Lead Bank Scheme guidelines, what is Bank Beta's primary role in this district?
(A) To monopolize all rural credit lending and prohibit other banks from operating within the designated geographical area.
(B) To act as the sole Business Correspondent for all micro-finance institutions and self-help groups throughout the district.
(C) To act as a consortium leader coordinating banks in matters such as branch expansion and local credit planning.
(D) To directly transfer universal basic income and other social security benefits to all unbanked citizens in the region.

May/June 2018

93. Consider the following statements regarding the FIP March 2019 data:
I Total banking outlets in villages was 597,155.
II BSBDA through branches amount was ₹878 Billion.
III BSBDA through BCs amount was ₹532 Billion.
IV GCC total accounts stood at 12 million.
V ICT-A/Cs-BC Total Transaction amount was ₹1,498 Billion.
Which of the statements given above are correct?
(A) Only (I), (II), (III), and (IV) are correct
(B) Only (II), (III), (IV), and (V) are correct
(C) Only (I), (III), (IV), and (V) are correct
(D) All (I), (II), (III), (IV), and (V) are correct

Oct/Nov 2016

94. To help citizens in neighboring unbanked villages locate Ramesh's BC outlet, which dedicated interface/application collated by the Department of Financial Services would be most appropriate for them to use?
(A) BHIM Aadhaar App
(B) FSDC Infrastructure Portal
(C) Jan Dhan Darshak App
(D) Lead District Manager Dashboard

May/June 2014

95. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Examine these two statements carefully and select the correct answer using the codes given below.
Assertion (A): The BHIM Aadhaar digital payment platform requires every rural customer to own a smart phone to execute transactions.
Reason (R): The BHIM Aadhaar platform utilizes a citizen's biometric data like their thumb imprint on a merchant's biometric enabled device.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2007

96. A policy maker is analyzing data from the NSSO 77th round survey to understand indebtedness patterns. As the asset holding of rural households increases, what trend should the policy maker expect regarding the share of households indebted to institutional agencies?
(A) The share decreases sharply to zero.
(B) The share increases.
(C) The share remains completely unchanged.
(D) The share perfectly mirrors urban non-institutional debt.

May/June 2025

97. Consider the following statements regarding financial initiatives:
I There are currently about 1380 functional FLCs across India.
II Rural branches have to conduct one camp per month on the third Friday of each month after branch hours.
III RSETIs key objective is short term training and long-term hand holding with assistance to credit linkage.
IV DBT has the potential to act as a catalyst to

NODIA

transaction volumes, thereby decreasing the profitability of BCs.

Which of the statements given above is/are correct?

(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

May/June 2020

63. Match the FIP progress figures as of End-March 2019 in List I with their correct numerical values in List II.

List I: (FIP Metric)

P. Total Banking Outlets in Villages - BCs
Q. Total BSBDA (Amt. in ₹ Billion)
R. KCC - Total (Amt. in ₹ Billion)
S. ICT-A/Cs-BC-Total Transaction (Number in million)

List II: (Numerical Value)

1. 1,410
2. 541,129
3. 2,084
4. 6,680

(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

Oct/Nov 2015

64. Consider the following statements regarding the FI-Index:

I It was announced in the Monetary Policy Statement for 2021-2022 (April, 2021).
II It includes details of banking, investments, insurance, postal, as well as the pension sector.
III It is published biannually in January and July.

Which of the statements given above are correct?

(A) Only (I) and (II) are correct
(B) Only (II) and (III) are correct
(C) Only (I) and (III) are correct
(D) All (I), (II), and (III) are correct

May/June 2013

65. Which of the following pairs correctly matches the committee/initiative with its core focus?

(A) Vaidyanathan Committee - Revival Package for co-operative banks.
(B) Dr. C. Rangarajan Committee - Promoting urban derivative markets.
(C) Tendulkar Committee - National Payment Corporation technology standards.
(D) Committee on Directions (1954) - Establishing Small Finance Banks.

Oct/Nov 2021

66. Consider the following statements regarding inclusive banking mechanisms:

I Financial Stability and Development Council (FSDC) is an apex-level body constituted by GOI.
II FIAC functions under the Chairmanship of the Deputy Governor, RBI.
III SLBCs are supported by Lead District Managers at the district level.
IV The Lead Bank Scheme (LBS) assigns one private equity firm as a consortium leader in every district.

Which of the statements given above are correct?

(A) Only (I), (II), and (III) are correct
(B) Only (II), (III), and (IV) are correct
(C) Only (I), (III), and (IV) are correct
(D) All (I), (II), (III), and (IV) are correct

May/June 2024

67. Arrange the following developments related to financial inclusion entities and committees in the correct chronological order:

I Publication of the Dr. C. Rangarajan Committee Report on Financial Inclusion
II Permission to set up Small Finance Banks
III Launching of the SHG-Bank Linkage Program
IV Enactment of the State Bank of India Act

(A) IV, III, I, II
(B) IV, I, III, II
(C) III, IV, II, I
(D) I, III, II, IV

Oct/Nov 2008

68. Consider the following statements regarding bank branch expansion:

I General permission has been granted to SCBs to open branches anywhere without seeking prior approval, provided at least 25% of total new branches are opened in Tier 5 and Tier 6 unbanked rural centres.
II The total number of branches opened in Tier 1 centres cannot exceed the total branches opened in Tier 2 to Tier 6 plus all centres in North Eastern States and Sikkim.

Which of the statements given above is/are

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statements carefully and select the correct answer using the codes given below.
Assertion (A): Small Finance Banks (SFBs) serve exclusively as vehicles for savings without offering credit facilities.
Reason (R): SFBs are expected to enhance the supply of credit to small business units, small and marginal farmers, and micro industries.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2020

105. Bank Zenith is implementing the strategies outlined by the Dr. C. Rangarajan Committee on Financial Inclusion. To meet the committee's major recommendations for commercial banks, what target must Bank Zenith aim for regarding credit provision per rural/semi-urban branch per annum?
(A) At least 50 large corporate accounts
(B) At least 250 excluded rural households
(C) At least 1,000 marginal farmers
(D) At least 5,000 micro-enterprises

Oct/Nov 2015

106. Consider the following statements regarding the recommendations of the Dr. C. Rangarajan Committee:
I Target for providing access to credit to at least 250 excluded rural households per annum.
II Provision of customized savings, credit, and insurance products.
III Extending RRB services to unbanked areas.
IV Further merger of RRBs to reduce institutional footprint.
V Use of PACS and other primary co-operatives as BCs.
Which of the statements given above are correct?
(A) Only (I), (II), (III), and (V) are correct
(B) Only (II), (III), (IV), and (V) are correct
(C) Only (I), (III), (IV), and (V) are correct
(D) All (I), (II), (III), (IV), and (V) are correct

May/June 2013

107. Ramesh operates as a Business Correspondent (BC) in a remote village. He struggles with high per-unit fixed costs. The government decides to introduce a Universal Basic Income (UBI) model. How is this intervention hypothesized to directly affect Ramesh's profitability?
(A) It will cause an endogenous increase in transaction volume, which effectively dilutes his per-unit fixed costs.
(B) It will enforce a strict cap on the commission he can earn per transaction, thereby reducing his total monthly revenue.
(C) It will require him to invest heavily in modern smart phone devices for every customer to track their digital signatures.
(D) It will shift all transactions to physical bank branches, completely bypassing his outlet and removing the need for BCs.

Oct/Nov 2021

108. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Examine these two statements carefully and select the correct answer using the codes given below.
Assertion (A): Providing a Universal Basic Income (UBI) is hypothesized to increase the profitability of Business Correspondents (BCs).
Reason (R): UBI creates an endogenous increase in the volume of transactions, which corresponds to a decrease in the per unit fixed costs for BCs.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2024

109. Under the Revamped Lead Bank Scheme framework adopted by Bank Beta, corporate business targets for branches, blocks, and districts must be aligned with which of the following?
(A) The Global Investment Portfolio
(B) The Universal Basic Income Register
(C) The National Payment Corporation Database

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Oct/Nov 2012

74. Which of the following pairs correctly links the financial metric with its corresponding figure from the 2019-20/2021 data?
(A) Total PMJDY accounts (August 2021) - 14.72 crore
(B) Outstanding farm credit (2019-20) - ₹4.21 lakh crore
(C) Annual FI-Index for period ending March 2021 - 53.9
(D) Digital payments volume across India (FY 2021) - 1.66 lakh

May/June 2011

75. Consider the following statements regarding the NSSO 77th round survey:
I The survey covered the period January - December, 2019.
II The incidence of indebtedness on 30 June, 2018 was about 35% in rural India.
III 17.8% of rural households were indebted to institutional credit agencies.
IV Only 4.9% of rural households were indebted to non-institutional credit agencies.
Which of the statements given above are correct?
(A) Only (I), (II), and (III) are correct
(B) Only (II), (III), and (IV) are correct
(C) Only (I), (III), and (IV) are correct
(D) All (I), (II), (III), and (IV) are correct

Oct/Nov 2020

76. Match the historical statistics regarding population per rural branch in List I with their corresponding values in List II.
List I: (Banking Metric)
P. Population per rural branch in 1969
Q. Population per rural branch in 1991
R. Number of branches of 14 major commercial banks nationalized
S. Number of villages mapped on Jan Dhan Darshak app
List II: (Value)
1. 14,000
2. 82,000
3. 14
4. 5.53 lakh
(A) P-2, Q-1, R-3, S-4
(B) P-1, Q-2, R-4, S-3
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-3, R-2, S-1

May/June 2022

77. Consider the following statements regarding Financial Inclusion Plans (FIPs) progress as of End-March 2019:
I Total Banking Outlets in Villages (Branches) stood at 52,489.
II Total KCC amount was ₹6,680 Billion.
III Total number of GCC accounts was 49 Million.
Which of the statements given above are correct?
(A) Only (I) and (II) are correct
(B) Only (II) and (III) are correct
(C) Only (I) and (III) are correct
(D) All (I), (II), and (III) are correct

Oct/Nov 2023

78. Match the PMJDY account statistics as of August 2021 in List I with their corresponding figures in List II.
List I: (Statistic)
P. Total PMJDY accounts
Q. Proportion of PMJDY account holders who are women
R. Proportion of PMJDY accounts in rural and semi-urban areas
S. Aggregate deposits under PMJDY accounts
List II: (Value/Figure)
1. 43.04 crore
2. 55%
3. 67%
4. ₹1.46 lakh crore
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-3, R-1, S-4
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

May/June 2016

79. Consider the following statements regarding the FI-Index:
I The FI-Index has been constructed with a base year of 2017 to track percentage growth effectively.
II The annual FI-Index for the period ending March 2021 is 53.9.
Which of the statements given above is/are correct?
(A) Only (I) is correct
(B) Only (II) is correct
(C) Both (I) and (II) are correct
(D) Neither (I) nor (II) is correct

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what is the maximum number of branches it can legally open in Tier 1 centres during that financial year?
(A) 25
(B) 40
(C) 50
(D) 60

Oct/Nov 2012

116. Consider the following statements regarding UBI and BC profitability:
I A Taskforce on an Aadhaar-Enabled Unified Payment Infrastructure recommended increasing commissions to BCs.
II BC profitability is highly dependent on the volume of transactions.
III UBI can lead to increased financial inclusion through an increased number of transactions.
IV UBI provides an exogenous decrease in transactions.
V An endogenous increase in volume leads to a corresponding decrease in per unit fixed costs.
Which of the statements given above are correct?
(A) Only (I), (II), (III), and (V) are correct
(B) Only (II), (III), (IV), and (V) are correct
(C) Only (I), (III), (IV), and (V) are correct
(D) All (I), (II), (III), (IV), and (V) are correct

May/June 2011

117. As part of the same framework, Bank Zenith partners with primary co-operatives to finance excluded groups. According to the committee's recommendations, what specific lending approach should these co-operatives adopt?
(A) Individual asset-backed approach
(B) Venture capital equity approach
(C) Group approach
(D) International syndication approach

Oct/Nov 2020

118. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Examine these two statements carefully and select the correct answer using the codes given below.
Assertion (A): The performance of most private and foreign banks in rural lending is even lower than that of public sector banks.
Reason (R): The credit-deposit ratio continues to be low in rural areas despite the intermediation of banks.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2022

119. An economist is evaluating the financial health of rural India using the FI-Index developed by RBI. She specifically wants to assess how consumer protection and inequalities are impacting financial inclusion. Which parameter of the FI-Index captures these dimensions?
(A) Quality
(B) Access
(C) Usage
(D) Infrastructure

Oct/Nov 2023

120. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Examine these two statements carefully and select the correct answer using the codes given below.
Assertion (A): SLBC convenor banks were advised to prioritize opening new banking outlets in URCs having a population above 5,000.
Reason (R): Centers with a population above 5,000 are classified as tier-5 centres.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2016

121. Later, the same farmer acquires a basic feature phone without internet capability and wants to check his bank balance by sending a text message containing specific codes. Which technology protocol enables this action?
(A) Point of Sale (PoS)
(B) Aadhaar Bridge Payment System (ABPS)
(C) Direct Benefit Transfer (DBT)

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8. (B) It is constructed without a 'base year', reflecting cumulative efforts of all stakeholders over the years toward inclusion.
Traditional indices often use a fixed point in time for comparison, but this specialized measurement adopts a different structural approach. By avoiding a specific starting year, the index provides a holistic view of progress made by diverse entities including banks, insurance providers, and the postal department. This allows for a better assessment of the total impact of long-term initiatives.

9. (B) There are 5.53 lakh mapped villages, of which 5.52 lakh have a branch or BC within a distance of five kilometers.
Geographic information systems help in visualizing the reach of the banking network across the country. Current data indicates that a vast majority of mapped rural settlements now have access to a banking point or a business correspondent within a short travel distance. This high level of coverage demonstrates the success of efforts to minimize the physical distance to finance.

10. (B) 250 new cultivator and non-cultivator households
National planning for financial inclusion set specific targets for bank branches to ensure broader credit coverage. Each rural or semi-urban branch was encouraged to bring a specific number of previously excluded households into the formal credit fold annually. This strategy aimed to systematically reduce the reliance on non-institutional money sources by providing structured credit to both farming and non-farming families.

11. (D) The share of households indebted to institutional agencies generally increases for both rural and urban segments as the value of their assets increases.
Analysis of household debt patterns reveals a direct relationship between wealth and access to formal credit. As the total value of assets held by a family grows, they typically find it easier to secure loans from banks and other regulated institutions. This trend is consistent across both countryside and city areas, reflecting the importance of collateral in institutional lending.

12. (C) A parameter capturing aspects of inclusion reflected by literacy, consumer protection, and inequalities in services.
Beyond just providing access and tracking usage, financial inclusion metrics must evaluate the effectiveness and fairness of the system. This specific dimension focuses on how well customers understand financial products and whether they are treated fairly by providers. It also examines gaps in service delivery to ensure that the benefits of the financial system are distributed equitably.

13. (A) To promote financial inclusion and extend the banking network into Tier 5 and Tier 6 centres.
Regulators mandate that a significant portion of new bank branches must be established in regions that currently lack formal financial services. This policy ensures that the expansion of the banking industry is not limited to urban areas but also reaches the smallest rural settlements. Such a strategy is vital for providing basic savings and credit facilities to the unbanked.

14. (C) Evolving new outreach models and leveraging technology-based solutions alongside improvements in existing formal mechanisms.
Enhancing the ability of the rural population to utilize credit requires a multi-faceted approach. Recommendations emphasize the need to combine traditional banking improvements with modern technological tools and innovative service delivery methods. This strategy aims to make financial services more accessible and efficient, ensuring that the diverse credit needs of rural households are met through reliable formal channels.

15. (D) FLCs have seasoned bankers as Counselors who provide bank-neutral service, free of cost.
These centers serve as crucial hubs for educating the public about various financial products and services. They are staffed by experienced professionals who offer unbiased guidance without any charges to the consumer. This initiative aims to build trust and knowledge among potential bank customers, helping them make informed decisions and promoting the broader goal of a financially literate society.

NODIA

ANSWERS

1. (C) 45%
The Financial Inclusion Index serves as a comprehensive tool to monitor the progress of inclusion across various sectors. Within this framework, specific weights are assigned to its three core parameters to reflect their relative significance. This particular component accounts for forty-five percent of the total index value, emphasizing the active utilization of financial services by the population.

2. (C) By imparting short-term training and long-term hand-holding with assistance to credit linkage for entrepreneurship development.
These institutions play a vital role in fostering rural entrepreneurship by bridging the skills gap among the youth. They provide intensive vocational programs followed by extended support to ensure trainees can access necessary banking facilities. This dual approach helps individuals establish sustainable livelihoods, thereby promoting economic independence and deepening the reach of formal financial systems in rural areas.

3. (C) A GSM protocol to send text messages using codes made up of characters to facilitate various mobile transactions.
Mobile banking technology enables users to perform financial operations without requiring an active internet connection or a sophisticated smartphone. By using a specific communication protocol on the global system for mobile communications, individuals can interact with banking servers through simple character codes. This mechanism is especially crucial for providing basic financial services to residents in remote or underserved regions.

4. (C) The deposits increased 6.3 time over the six-year period.
Financial inclusion initiatives under the national mission have led to a substantial rise in the mobilization of savings from the unbanked population. Data comparing two distinct periods shows a massive growth in the total funds held within these specific savings accounts. This expansion indicates an improving trust in formal banking and a growing habit of financial saving among citizens.

5. (B) Formal finance empowers underserved sections to be stakeholders in economic progress, countering the high costs of informal credit.
Shifting the rural population from informal moneylenders to institutional credit is a core objective of economic policy. Formal systems offer regulated interest rates and professional services that protect vulnerable borrowers from exploitation. By integrating these individuals into the mainstream financial network, they gain the ability to participate more effectively in broader economic growth and improve their long-term welfare.

6. (B) Poverty decreased from about 70% at independence to about 22% in 2011-12.
Economic surveys highlight significant progress in national development by tracking long-term changes in the living standards of the population. Statistical evidence shows a dramatic decline in the percentage of people living below the poverty line since the country gained sovereignty. This reduction reflects the cumulative impact of various social welfare programs and targeted economic reforms over several decades.

7. (B) A rural Tier 5 or 6 centre lacking a CBS-enabled banking outlet from any scheduled commercial, payment, or co-operative bank.
Identifying areas without adequate banking facilities is essential for planning network expansion. These specific centers are categorized based on their population size and the absence of any bank branch or outlet connected to a core banking system. Ensuring these regions receive coverage is a primary goal of financial inclusion strategies to provide every citizen with basic banking access.

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24. (D) It incorporates details of banking, investments, insurance, postal, and the pension sector.
The comprehensive index developed to track financial inclusion goes beyond simple bank account numbers. It aggregates data from multiple financial services, including social security schemes, post office savings, and various investment vehicles. This holistic approach ensures that the measurement reflects the true extent to which the population is integrated into the diverse components of the formal financial system.

25. (B) The objective to "control the heights of economy" and serve as important instruments for the advancement of rural banking.
Bringing major commercial banks under government ownership marked a pivotal change in the country's financial strategy. The move was intended to ensure that banking resources were used to support national priorities and reach underserved segments of society. This shift prioritized social and developmental goals over purely commercial interests, leading to a significant expansion of banking into rural areas.

26. (D) It provides an interface for citizens to view banking infrastructure such as branches, ATMs, post offices, and CSC locations.
Access to information about nearby financial service points is vital for the unbanked. This mobile application allows users to locate various facilities like bank branches, automated teller machines, and common service centers on a map. By providing this visibility, the tool helps citizens navigate the formal financial landscape and encourages the utilization of available services in their vicinity.

27. (A) Branches in Tier 1 centres cannot exceed branches in Tier 2-6 and the North Eastern States plus Sikkim combined.
Banking regulations impose certain constraints on where financial institutions can expand their networks to prevent over-concentration in wealthy areas. The rules specify that the growth of branches in major urban hubs must be balanced against the establishment of outlets in smaller towns and underdeveloped regions. This ensures a more balanced and inclusive development of the national banking infrastructure.

28. (C) Section 54
The founding legislation of the central bank includes specific provisions that mandate its involvement in rural development. These legal requirements ensure that the institution maintains a dedicated focus on agricultural credit and the health of the rural banking system. This statutory obligation has historically driven various central bank initiatives to improve financial access and stability in the country's vast rural areas.

29. (C) A significant share of rural households still depends on non-institutional sources of credit, regardless of their assets.
Despite decades of effort to expand formal banking, many rural families continue to rely on private lenders and other informal channels. This dependence persists even among those with substantial assets, indicating that institutional credit may still be difficult to access or navigate. Addressing the factors that drive people toward expensive informal debt remains a major challenge for policymakers.

30. (D) Payment Banks focus on remittance services, whereas SFBs enhance the supply of credit to small business units and marginal farmers.
Different types of specialized banking licenses were created to target specific gaps in the financial system. One category focuses primarily on handling payments and transfers for a low-income population, while another is designed to provide comprehensive banking services, including lending, to small-scale entrepreneurs and farmers. Together, these institutions work to provide a more complete range of financial services.

31. (C) Immediate merger of all Regional Rural Banks into commercial banks.
Recommendations for improving financial inclusion have historically focused on strengthening existing institutions rather than dismantling them. Experts suggested setting specific targets for reaching excluded households and simplifying loan procedures to make formal credit more accessible. The goal was to leverage the specialized local knowledge of various entities while improving their overall efficiency and reach within the existing multi-agency framework.

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16. (A) To transfer subsidies directly to citizens' bank accounts, acting as a catalyst for saving habits and household investment.
Modernizing the delivery of government benefits involves sending funds electronically to the recipient's bank account. This method eliminates intermediaries and ensures that the full amount reaches the intended individual efficiently. By ensuring regular inflows into bank accounts, this mechanism encourages people to maintain their accounts and utilize formal financial services for saving and investing in their future.

17. (A) The performance of some public sector banks is inadequate, but the performance of most private and foreign banks is even lower.
Evaluating the contribution of various banking categories to rural development reveals significant disparities. While government-owned banks carry the majority of the responsibility for rural lending, their reach is often deemed insufficient to meet total demand. Meanwhile, other commercial entities and international institutions typically have an even smaller presence in these markets, highlighting the continued need for institutional focus.

18. (D) 35%
National sample surveys provide critical insights into the financial state of households across the country. Data from the most recent comprehensive round indicates that a significant portion of the rural population carries some form of debt. Understanding these figures is essential for policymakers to design better credit delivery systems and address the underlying causes of financial stress in rural areas.

19. (D) Because the all-in costs of credit from banks are high for agriculture and risk mitigation measures are currently insufficient.
The relationship between total deposits and actual lending in rural areas remains a challenge for the banking sector. High operational expenses and the inherent risks of farming contribute to a situation where credit is not as readily available as needed. Addressing these structural issues is necessary to ensure that rural savings are effectively recycled back into the local economy.

20. (A) The need for citizens to possess smart phones, internet access, or debit cards to successfully execute digital transactions.
Digital payment solutions often require specialized hardware or connectivity that many rural residents do not have. This platform overcomes such obstacles by allowing individuals to authenticate transactions using their biological markers at a merchant's location. This innovation ensures that even those without modern technology or high literacy can participate in the digital economy using only their unique identity.

21. (C) Suggesting overall policy changes for achieving financial inclusion goals and supporting various stakeholder initiatives.
A dedicated mission oversees the implementation of strategies to bring the unbanked into the formal financial fold. This body is responsible for recommending broad policy adjustments and coordinating the efforts of various agencies and organizations. Its work ensures that different initiatives are aligned and that the national goals for expanding financial access and literacy are systematically pursued.

22. (C) 1989
In the late eighties, a specific planning model was introduced to improve the efficiency of rural lending by commercial banks. This approach assigned a group of villages to each bank branch, making them responsible for the overall credit needs and economic development of that designated area. It aimed to create a more organized and accountable system for delivering financial services.

23. (D) UBI increases transaction volume from government transfers, decreasing per unit fixed costs and increasing BC profitability.
The financial viability of local banking agents depends heavily on the number of transactions they process. Regular government transfers to the population provide a consistent stream of activity for these agents. By spreading their fixed operating expenses over a larger number of interactions, these agents can achieve better financial stability, ensuring that rural banking points remain operational and accessible.

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(D) Unstructured Supplementary Service Data (USSD)

Oct/Nov 2009

122. An MFI wants to expand into highly underdeveloped regions. However, it notes that historical progress in micro-finance has geographically been uneven. Where is micro-finance mostly confined?
(A) In completely unbanked Tier 6 centres only.
(B) In regions with the highest prevalence of non-institutional moneylenders.
(C) In states with fairly well-developed banking systems.
(D) In exclusively urban Tier 1 metropolitan hubs.

May/June 2023

123. During the FLC camp, the manager wants to ensure the session is appropriately tailored. The guidelines specify tailored camps for five different target groups. Which of the following is one of those specifically recognized target groups?
(A) Multinational corporate investors
(B) Urban IT professionals
(C) Self Help Groups (SHGs)
(D) Foreign exchange traders

Oct/Nov 2018

124. A farmer wishes to purchase supplies from a local merchant but does not own a smart phone, internet access, or a debit card. Which specific technology platform is specially designed to allow him to transact digitally using a biometric reader at the merchant's location?
(A) BHIM Aadhaar digital payment platform
(B) Unified Payments Interface via basic SMS
(C) Jan Dhan Darshak mapping tool
(D) Unstructured Supplementary Service Data (USSD)

May/June 2012

125. A rural branch manager is tasked with organizing a Financial Literacy Centre (FLC) camp to educate villagers about digital platforms like UPI and USSD. According to the literacy program 2017 guidelines, when must this camp be conducted?
(A) On the first Monday of each month during regular branch hours.
(B) On the third Friday of each month after branch hours.
(C) Every weekend exclusively on Sundays.
(D) Once a year during the Annual Credit Plan review meeting.

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32. (B) Branch profitability margins
The quality parameter of the Financial Inclusion Index focuses on the consumer's experience and the systemic health of service delivery. It looks at whether citizens are becoming financially literate and if there are robust mechanisms to protect them from exploitation. It also measures gaps and deficiencies in services, ensuring that the system is not just large, but also effective and fair.

33. (B) They were established with 100% equity participation exclusively from the Central Government.
These specialized rural institutions were created through a collaborative ownership model involving multiple levels of government and the banking sector. The capital required for their operation was contributed by the national government, the respective provincial governments, and designated sponsor banks. This structure was designed to combine the strengths of various stakeholders to better serve the credit needs of the rural population.

34. (D) It allows the index to reflect the cumulative efforts of all stakeholders over the years towards achieving financial inclusion.
Constructing an index without a specific base year allows it to act as a continuous record of progress rather than a measure of growth from a single point. This approach captures the long-term impact of diverse policies and initiatives undertaken by various financial entities. It provides a more comprehensive picture of the total advancement toward a fully inclusive financial environment.

35. (A) Affordability
The Financial Inclusion Index is built upon three fundamental pillars that describe the state of the financial system. These pillars measure how easily people can reach financial services, how frequently they actually use those services, and the overall standard and fairness of the service delivery. While cost is an important factor, it is not treated as a separate primary parameter.

36. (A) To have an exclusive focus on financial literacy at the ground level, addressing the skewed distribution of existing FLCs and limited outreach.
Pilot programs at the local level aim to overcome the uneven reach of existing financial education initiatives. By establishing dedicated centers in every administrative block, the program ensures that even the most remote populations have access to financial guidance. This localized approach is intended to significantly increase the number of people who understand and use formal banking and insurance products.

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37. (A) It concluded that cooperation has succeeded and requires no further intervention.
A landmark study conducted in the early 1950s provided the first detailed look at the state of rural debt and credit. The findings revealed that existing cooperative systems were struggling and required significant support and reform to meet the needs of farmers. This survey laid the groundwork for future policies aimed at strengthening rural financial institutions and expanding formal credit.

38. (D) Alignment of multinational bank mergers with Global Corporate Expansion protocols.
The revitalized framework for lead banks focuses on optimizing local financial planning and data management. It emphasizes aligning the business goals of individual branches with the broader credit needs of the district and its various administrative blocks. This ensures that the efforts of all banks in a region are coordinated to achieve common development goals and improve overall financial access.

39. (D) The committee observed rural indebtedness and recognized that cooperative credit was essential for advancement.
Observations in the mid-1950s highlighted that while cooperative societies were not performing optimally, they remained the most viable mechanism for delivering rural credit. The belief was that despite their current failures, the success of these institutions was critical for agricultural development. This led to policies focused on revitalizing and providing state support to the cooperative movement to combat rural poverty.

various initiatives to ensure that more citizens can access and use formal financial services.

57. (A) Geographical concentration of exclusion in the Central, Eastern, and North-Eastern regions.
Research into financial exclusion reveals that certain parts of the country face much higher levels of difficulty in accessing credit than others. This regional disparity is a major factor in the overall exclusion of farming households. Policymakers must focus on these specific areas to ensure that banking services and credit facilities are distributed more evenly across the nation's diverse geography.

58. (A) Micro finance has universally replaced institutional bank lending across all Central and Eastern regions.
While small-scale lending programs have made progress, their reach remains uneven and they have not fully replaced traditional banking. These programs are often most active in areas that already have some banking infrastructure. Additionally, the relatively high interest rates charged by these institutions remain a point of concern for those seeking affordable credit in rural and underserved areas.

59. (C) The absence of technology, which restricted expansion of services to far-flung areas.
Historically, the lack of modern communication and data processing tools was a major hurdle for expanding banking into remote areas. Without these technologies, it was difficult and expensive for banks to reach the hundreds of thousands of small villages across the country. The subsequent introduction of digital tools has been a game-changer for bringing financial services to these distant populations.

60. (B) Corporate executives
Financial literacy programs are designed to help specific vulnerable or underserved groups better manage their money and understand banking. These programs provide tailored education for farmers, students, small-scale business owners, and self-help groups. By focusing on these categories, the initiative aims to provide the most relevant information to those who can benefit most from participating in the formal economy.

61. (A) P-3, Q-1, R-2, S-4
Various financial technologies and initiatives work together to improve banking access and efficiency. One system uses biometric data for secure transactions, while another provides a mobile-based platform for payments. Government programs also use digital channels to send benefits directly to citizens, and simple mobile protocols allow for banking interactions through text messages on any type of phone.

62. (A) Only (I) is correct
Long-term data on living standards shows a significant reduction in the national poverty rate over several decades. However, ideas like a universal income would likely increase the number of banking transactions handled by local agents, which would actually improve their profitability. Understanding these economic relationships is important for designing effective social welfare and financial inclusion policies that benefit both citizens and providers.

63. (A) P-2, Q-1, R-4, S-3
Monitoring the progress of financial inclusion plans involves tracking various metrics, such as the number of banking outlets, account balances, and the volume of digital transactions. These statistics provide a snapshot of how well different service channels are performing. For example, the total value of credit provided through specialized cards and the number of transactions processed by agents are key indicators.

64. (A) Only (I) and (II) are correct
The national index for measuring financial inclusion was introduced to provide a comprehensive look at how citizens interact with various financial sectors. It captures data from banking, insurance, and social security programs, among others. While it is an important tool for policy planning, it is released on a yearly basis rather than more frequently, allowing for more stable observations.

65. (A) Vaidyanathan Committee - Revival Package for co-operative banks.
Specialized committees are often formed to address specific problems within the financial system. One such group was tasked with creating a plan to strengthen and revitalize the network of cooperative institutions that provide

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settlements that currently lack institutional facilities. Committees at the state level are tasked with maintaining lists of these underserved areas and encouraging banks to set up new outlets. These efforts often focus on centers with a certain population threshold to ensure that banking services reach as many unbanked people as possible.

49. (A) Narrowing their network and limiting coverage to urban hubs.
Recommendations for strengthening rural banking institutions emphasize expanding their reach rather than reducing it. Experts have suggested that these banks should improve their lending ratios and develop specialized plans for regions that have been traditionally excluded. The goal is to ensure that these institutions effectively serve the unbanked and provide the necessary financial support for agricultural and rural development.

50. (C) Real Estate
The Financial Inclusion Index aggregates data from a wide range of sectors to provide a comprehensive view of national progress. It includes information from banking institutions, insurance providers, the postal department, and the pension sector. By combining these diverse data points, the index reflects the total extent to which citizens are integrated into the formal financial and social security systems.

51. (D) About 55% of account holders are women, and about 67% of accounts are located in rural and semi-urban areas.
The national mission to open basic savings accounts has been particularly successful in reaching traditionally underserved populations. Data shows that a majority of these accounts are held by women and are situated outside of major urban centers. This distribution highlights the mission's success in providing financial access to those who were previously excluded from the formal banking system.

52. (D) It limits the user to perform only a single specific type of transaction, which is cash deposit.
Advanced payment systems allow users to perform a variety of financial operations at a merchant's location using only their unique identification and biological markers. This bank-led model supports multiple types of transactions, including withdrawals and balance inquiries, across different banking institutions. It provides a convenient and secure way for people without traditional banking tools to access their accounts.

53. (C) Entirely replacing formal bank accounts with unregulated informal micro-credit pools.
Strategies for building a more inclusive financial sector focus on modernizing and expanding the formal system. This involves improving existing credit delivery methods, utilizing new technology, and creating innovative models to reach more people. The objective is to bring more citizens into the regulated financial fold rather than encouraging the use of informal and potentially exploitative money sources.

54. (C) A large number of accounts dealing in small amounts, lack of infrastructure, and difficulty in getting financial information on rural borrowers.
Operating bank branches in the countryside involves unique challenges that increase the cost of doing business. Banks must manage many small transactions across numerous accounts, often without reliable financial data on their customers. These factors, combined with poor local infrastructure, make it more expensive and difficult to provide banking services in rural areas compared to densely populated urban centers.

55. (A) Sovereign Wealth Funds
Over the years, the government and the central bank have authorized various types of institutions to help meet the credit needs of the rural population. These include specialized regional banks, small-scale local banks, and newer institutions designed to provide credit to marginal farmers and small businesses. These entities supplement the work of traditional commercial banks to ensure broader financial reach.

56. (A) It functions under the Chairmanship of the Governor of RBI.
A specialized advisory body was created to provide guidance and strategy for improving financial inclusion. This committee is led by a high-ranking official from the central bank and includes experts from diverse backgrounds, including civil society. Its work involves formulating national strategies and overseeing

NODIA

40. (D) It incorporates a base year of 2017 to compute all cumulative percentage variations.
The composite index for measuring financial inclusion is designed to be a dynamic and evolving tool. It utilizes a wide array of indicators to assess different facets of inclusion, ranging from basic access to the actual usage of diverse financial products. Its structure allows it to provide a single numerical value that represents the national progress without being tied to a baseline.

41. (A) III, II, I, IV
The history of rural banking is marked by several significant institutional and policy milestones. Major banks were first brought under public control in 1969, followed by the creation of specialized rural banks in 1975. Later, the late eighties saw the introduction of a village-focused planning approach, and the mid-nineties allowed for the establishment of smaller, local private banks.

42. (C) The amount in BSBDA through BCs was ₹878 Billion, which was higher than the amount through branches.
Progress reports on financial inclusion plans track the growth of basic savings accounts and their associated balances. While the number of accounts opened through banking agents has grown significantly, the total volume of deposits held in those accounts typically remains lower than those held in traditional branch accounts. Monitoring these trends helps evaluate the effectiveness of different delivery channels in mobilizing rural savings.

43. (B) Urban households indebted to non-institutional credit agencies stood at 49.5%.
Analysis of household debt patterns reveals a direct relationship between wealth and access to formal credit. As the total value of assets held by a family grows, they typically find it easier to secure loans from banks and other regulated institutions. This trend is consistent across both countryside and city areas, reflecting the importance of collateral in institutional lending.

44. (D) National Payment Regulator for Non-Institutional Credit (NPRNIC)
The institutional framework for financial inclusion involves high-level councils and specialized committees at various levels of government and the central bank. These bodies coordinate policy, provide advice, and oversee the implementation of inclusion strategies across the country. This structured approach ensures that stakeholders from different sectors work together to improve financial access and stability for all citizens.

45. (C) To make formal financial services available, accessible, and affordable to all citizens in a safe and transparent manner.
The national strategy for broadening financial reach centers on ensuring that every person can easily and cheaply use the formal financial system. The focus is on creating a secure environment where people can save, borrow, and manage their money without fear of exploitation. Achieving these goals is considered fundamental for empowering individuals and promoting inclusive economic growth across the nation.

46. (B) Large corporate agribusinesses constitute more than 90% of the farm credit loan accounts.
Long-term trends in agricultural lending show a significant increase in the total amount of credit provided by various agencies. This growth is driven by government initiatives and the expanded outreach of the banking sector. Importantly, a large majority of the individual loan accounts are held by small and marginal farmers, rather than large-scale corporate entities, reflecting a focus on smallholders.

47. (B) An endogenous increase in the volume of transactions driven by mechanisms such as Universal Basic Income (UBI) transfers.
The economic viability of banking agents in rural areas is tied to the number of people they serve and the frequency of those interactions. Implementing large-scale social welfare transfers increases the regular activity at these banking points. As the number of transactions grows, the fixed costs of operating the outlet are spread thinner, leading to improved profitability and more sustainable service coverage.

48. (B) Unbanked Rural Centers (URCs) are strictly defined as Tier 1 and Tier 2 centres with a population exceeding 100,000.
Expanding the banking network requires identifying and prioritizing small rural

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essential credit to farmers. These efforts are part of a broader goal to ensure that rural financial entities are stable and capable of meeting the population's needs.

66. (A) Only (I), (II), and (III) are correct
A complex structure of councils and committees exists to oversee and promote financial inclusion across the country. These bodies range from high-level national groups to state-level committees and local bank managers. This multi-layered approach ensures that policy is coordinated from the top down and that local banking efforts are aligned with broader national goals for economic development and access.

67. (A) IV, III, I, II
The development of the national financial system has progressed through several distinct phases. Initial steps focused on establishing a large-scale public bank, followed by programs to link self-help groups with banks. More recently, expert reports have provided comprehensive frameworks for inclusion, leading to the creation of new types of specialized banks designed to serve small-scale borrowers and marginal farmers.

68. (C) Both (I) and (II) are correct
Regulations governing bank branch expansion aim to ensure a fair distribution of financial services across the country. Banks are given flexibility in their network growth, provided they commit to opening a significant number of branches in underserved rural areas. Furthermore, their expansion into major urban centers is capped to ensure it does not overshadow the development of banking infrastructure in smaller towns.

69. (A) Only (I) and (II) are correct
Research into the financial lives of farming families shows that more than half are disconnected from the formal financial system. This exclusion is particularly severe in specific regions of the country, highlighting the need for targeted regional policies. Addressing these disparities is a major focus for committees tasked with developing strategies to improve the reach and effectiveness of rural credit.

70. (A) P-1, Q-4, R-3, S-2
Mapping the national banking infrastructure provides essential data for improving service delivery. Information gathered on bank branches, agents, and automated teller machines helps identify areas that are well-served and those that need more attention. Current data indicates that a very high percentage of villages now have a banking point within a reasonable distance, showing the success of expansion efforts.

71. (A) Only (I), (II), and (III) are correct
The five-year plan for expanding financial reach focuses on making formal services more available and affordable for every citizen. It emphasizes the use of local agents and modern technology to overcome traditional barriers to access. Importantly, the strategy also includes a strong focus on protecting customers and providing clear ways to resolve problems, ensuring that the system is fair and trustworthy.

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72. (A) P-3, Q-4, R-1, S-2
The tool used to measure national financial inclusion assigns specific weights to its main components. These components track the availability of services, the frequency of their use, and the overall standard of service delivery. By combining dozens of different indicators into these three categories, the index provides a detailed and balanced view of how the country is progressing toward its inclusion goals.

73. (C) Both (I) and (II) are correct
National plans for improving financial access set ambitious targets for reaching rural households. These efforts are supported by dedicated missions that oversee promotional activities and coordinate between public and private sectors. By working together, these initiatives aim to systematically bring more people into the formal financial system, ensuring that even remote populations can benefit from savings, credit, and other essential services.

74. (C) Annual FI-Index for period ending March 2021 - 53.9
Tracking various metrics over time provides a clear picture of the progress being made in financial inclusion. Statistics on savings accounts, agricultural credit, and the overall volume of digital payments are all key indicators.

systematic expansion of banking services to underserved areas.

93. (A) Only (I), (II), (III), and (IV) are correct
Statistics on financial inclusion plans provide a detailed look at the progress of various service channels. These figures track the total number of banking outlets, the value of deposits in basic savings accounts, and the reach of specialized credit cards. Monitoring these data points over time allows policymakers to evaluate the effectiveness of both traditional bank branches and newer agent-based models.

94. (C) Jan Dhan Darshak App
Accessing formal financial services is easier when people can clearly see where nearby banking points are located. A specialized mobile application provides a comprehensive map of bank branches, agents, and other facilities like post offices. By helping citizens find these locations, the tool encourages the use of formal banking and helps reduce the time and effort required to perform financial transactions.

95. (D) Assertion (A) is false, but Reason (R) is true.
Advanced digital platforms are designed to include people who may not own modern technology. These systems allow customers to perform transactions at a merchant's shop using their biological identification markers on a specialized device. This approach removes the need for smartphones or personal internet access, making it possible for even the most disadvantaged individuals to participate in the secure digital economy.

96. (B) The share increases.
Empirical data on household finance shows that as families accumulate more assets, they tend to gain better access to institutional credit. Banks and other regulated lenders are generally more willing to provide loans to those who can offer collateral or demonstrate financial stability. This trend highlights the ongoing challenge of providing formal credit to those with few assets who remain underserved.

97. (A) Only (I), (II), (III), and (IV) are correct
Various initiatives work together to promote financial literacy, vocational training, and the efficient delivery of benefits. Programs include regular educational camps, intensive training for rural youth, and systems to transfer subsidies directly into bank accounts. These diverse efforts aim to build trust in the banking system, improve financial knowledge, and encourage the long-term saving habits necessary for economic growth.

98. (C) 25
To ensure that banking growth is not confined to wealthy urban areas, regulations require that a fixed percentage of new branch openings must occur in small, unbanked rural settlements. This policy forces banks to look beyond traditional markets and establish a presence in underserved regions. Such mandates are essential for bringing the benefits of formal finance to a broader segment of the population.

99. (C) 45%
The index used to monitor financial inclusion assigns a high value to the frequency and depth of service utilization by the population. This parameter captures how people are actually using their bank accounts, insurance policies, and other financial tools. By accounting for nearly half of the total index score, it emphasizes that real inclusion involves more than just opening accounts.

100. (C) Assertion (A) is true, but Reason (R) is false.
The specialized index for tracking financial inclusion aggregates data from a wide variety of sectors, including banking, insurance, and social security. Unlike many other economic measures, this tool is designed to reflect progress continuously without being anchored to a specific starting point. This structure allows it to provide a more holistic view of the cumulative impact of national inclusion policies.

101. (C) Around 20% to 30%
While micro-finance institutions provide essential credit to those who cannot access traditional banks, the cost of these loans is often quite high. The operational expenses of managing many small, unsecured loans in remote areas lead to interest rates that are significantly higher than those found in the formal banking sector. Addressing these high costs is a key focus for promoting affordable inclusion.

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that resources are used efficiently to meet regional development and credit goals.

84. (D) All (I), (II), (III), and (IV) are correct
Detailed mapping of the national banking network provides essential information for both policymakers and citizens. The data, which includes the locations of branches, agents, and other service points, shows that a vast majority of villages now have financial access nearby. This transparency helps identify remaining gaps and encourages more people to utilize the formal banking and postal services available to them.

85. (A) Only (I) is correct
Modern digital payment systems are designed to be fast, secure, and widely compatible with different platforms. While many people use smartphones for these transactions, other specialized systems allow individuals to participate in the digital economy using only their biological markers at a merchant's shop. This ensures that the benefits of electronic payments are accessible to everyone, regardless of their technology ownership.

86. (A) P-3, Q-4, R-1, S-2
Throughout history, various expert groups have provided the foundation for financial inclusion policies. Their work has ranged from initial studies on rural credit to developing revival packages for cooperatives and recommending comprehensive national plans. These reports are often considered standards of excellence and continue to guide efforts to reduce poverty and bring more citizens into the formal financial and social security systems.

87. (D) All (I), (II), and (III) are correct
Efforts to expand the banking network have led to a significant increase in the number of rural branches, making services more accessible to the population. Regulations define various tiers based on population size to help guide this expansion. Furthermore, most commercial banks are now allowed to open new branches in underserved areas without seeking prior approval, provided they meet certain inclusion targets.

88. (A) P-4, Q-3, R-1, S-2
Banking regulations use population-based classifications to manage the growth and distribution of financial services. Larger cities are grouped in one category, while smaller towns and rural centers are classified into others. These thresholds help policymakers identify unbanked regions that need new outlets and set priorities for banks to ensure that institutional finance reaches every part of the country, especially smaller villages.

NODIA

89. (A) Only (I), (II), (III), and (V) are correct
Recommendations for building an inclusive financial sector focus on expanding credit to excluded households and providing a variety of tailored financial products. Experts suggest that regional banks should extend their services into unbanked areas and that local cooperative societies can be used as agents to reach more people. The goal is to create a multi-layered system that provides effective outreach to underserved populations.

90. (A) Financial Literacy - 10%
The tool used to track national financial inclusion is based on three main parameters with specific weights. These parameters measure how many people have access to services, how often they use them, and the overall quality of the experience. While elements like financial literacy are vital, they are assessed as part of a larger category rather than being assigned an independent weight.

91. (C) Assertion (A) is true, but Reason (R) is false.
Regulators mandate that banks must establish a significant portion of their new outlets in small, unbanked rural settlements. These underserved areas are defined by their low population counts, typically fewer than ten thousand people. Providing banking facilities in these centers is crucial for ensuring that the formal financial system reaches the most remote and traditionally excluded parts of the population.

92. (C) To act as a consortium leader coordinating banks in matters such as branch expansion and local credit planning.
Under the lead bank model, a specific institution is chosen to coordinate the financial activities of all banks in a given district. This leader works to ensure that individual bank targets are aligned with the region's overall development needs and credit plans. This collaborative approach helps prevent duplication of effort and ensures a more

CHAPTER 19

Role of Technology in Financial Inclusion and Rural Development

Oct/Nov 2023

1. To illustrate the vastness of big data in agriculture, the Agricultural Census data holds information on approximately how many operational holdings?
(A) 1.7 lakh
(B) 12.3 lakh
(C) 75 million
(D) 138.5 million

May/June 2010

2. Data Science is best understood as a method for gleaning insights using approaches ranging from statistical analysis to machine learning. Conceptually, what type of data does Data Science deal with?
(A) Only data generated from Geographic Information Systems
(B) Exclusively numerical data from core banking platforms
(C) Both structured and unstructured data
(D) Only structured data related to satellite imagery

Oct/Nov 2007

3. What is the fundamental definition of the Internet of Things (IoT) as applied to agriculture?
(A) A shared ledger of transactions stored by all participants in the chain
(B) An online trading portal facilitating commodity exchange between buyers
(C) Interconnected computing devices in objects that exchange data via internet
(D) Graphic data representations used to communicate information over regions

May/June 2019

4. Which statement correctly describes the collaborative research project SENSAGRI?
(A) An initiative providing solar-powered VSATs in districts impacted by extremism
(B) A blockchain system implemented to track the movement of inland fisheries
(C) A prototype for drone-based monitoring using hyperspectral sensors
(D) An offline database used to store traditional knowledge about weather events

Oct/Nov 2015

5. As remote sensing technology developed beyond sonar, ocean temperature maps are now utilized to show upwelling and chlorophyll distribution. What is the primary purpose of this specific application?
(A) Adjusting automatic lighting levels within large-scale protected cultivation units
(B) Identifying productive coastal zones and surface-swimming fish shoals
(C) Measuring internal humidity levels within offshore greenhouse irrigation systems
(D) Predicting inland rainfall events and localized pest infestations across regions

May/June 2021

6. Which of the following statements is correct regarding support extended to rural banks for regulatory requirements?
(A) Support provided exclusively for upgrading the physical vaults of banks
(B) Support for regulatory needs like C-KYC and Aadhaar User Agency
(C) Mandatory bypassing of Aadhaar requirements for all agricultural loan types
(D) Exempting StCBs and RRBs from operating Aadhaar Enrollment and Update Centres

Oct/Nov 2009

7. What does the digital spectrogram of a soil sample rely on to diagnose the contents of the sample without physically transmitting the soil to a lab?
(A) Real-time monitoring of drone imagery captured across the entire farm
(B) Comparing spectral analysis against a cloud-

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102. (A) Only (I), (II), (III), and (IV) are correct
Digital innovations have dramatically increased the volume and speed of financial transactions across the country. Various platforms enable secure payments through smartphones, biometric data, or even simple mobile codes. These technologies provide a robust and versatile infrastructure that allows even those without internet access to participate in the electronic financial system, significantly reducing the reliance on physical cash.

103. (C) 9,999
Categorizing locations by their population helps guide the expansion of banking services into underserved areas. Centers with a population below this specific threshold are prioritized for new branch openings to ensure that formal finance reaches small rural communities. Meeting these targets is a regulatory requirement for banks to ensure that their growth contributes to the national goal of universal financial access.

104. (D) Assertion (A) is false, but Reason (R) is true.
Specialized banking institutions are designed to perform a full range of services for underserved groups. Beyond just taking deposits, they are expected to provide credit to small-scale businesses, marginal farmers, and other micro-industries that struggle to get loans from larger banks. This dual role is essential for supporting local economic growth and improving the livelihoods of those in small-scale sectors.

105. (B) At least 250 excluded rural households
To improve the reach of formal credit, specific recommendations encourage bank branches to bring a certain number of new households into the financial system each year. This target is aimed at ensuring that banks actively seek out and serve those who have been traditionally excluded. By focusing on small-scale borrowers and rural families, this strategy helps reduce dependence on informal lenders.

106. (A) Only (I), (II), (III), and (V) are correct
Strategies for expanding financial reach involve setting targets for new credit accounts and providing a variety of tailored financial products. Experts suggest that regional banks should expand their services into unbanked regions and that local cooperative societies can serve as effective agents for reaching underserved groups. These multi-faceted approaches aim to create a more inclusive and effective financial system for all citizens.

107. (A) It will cause an endogenous increase in transaction volume, which effectively dilutes his per-unit fixed costs.
The financial stability of local banking agents depends on the volume of activity they handle. Regular social welfare payments from the government create a steady stream of transactions, which helps cover the agent's fixed operating expenses. As the number of transactions increases, the cost of processing each one decreases, making the banking point more profitable and sustainable in remote areas.

108. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Social welfare programs that provide regular income transfers can significantly boost the business of local banking agents. These transfers lead to more frequent visits and transactions by citizens, which spreads the agent's fixed costs over a larger number of interactions. This economic relationship helps make rural banking outlets more financially viable, ensuring that essential services remain accessible to remote populations.

109. (D) The Annual Credit Plan (ACP)
To ensure that banking services contribute to regional development, individual branch targets must be aligned with broader planning frameworks. These plans outline the credit needs of the district and its various blocks, providing a roadmap for lending and expansion. Coordinating these efforts helps ensure that financial resources are directed toward the areas and sectors where they are most needed for economic growth.

110. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Electronic delivery of government benefits directly into bank accounts ensures that people receive their full entitlements securely and efficiently. This regular inflow of funds encourages account holders to keep their accounts active and develop a habit of saving. Over time, these small savings can be invested in productive assets, helping

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individuals and families improve their long-term financial stability.

111. (D) It decreases for both segments, although rural households maintain a higher reliance on non-institutional credit across asset classes.
Debt patterns show that while wealthier households are more likely to use banks, reliance on informal lenders decreases as assets grow. However, even among those with similar asset levels, people in rural areas often depend more on private lenders than their urban counterparts. This gap indicates that improving institutional credit access remains a particular challenge for the countryside, regardless of household wealth.

112. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Historically, the expansion of banking was severely limited by the lack of modern communication and data systems. Without these tools, it was difficult for banks to reach the vast number of remote villages across the country. The subsequent introduction of technology has made it possible to provide financial services more broadly and at a lower cost, overcoming major supply-side hurdles to inclusion.

113. (D) Assertion (A) is false, but Reason (R) is true.
While small-scale lending programs have provided new sources of credit, they have not fully solved the problem of high interest rates. These institutions often charge significant rates to cover their high operating costs in underdeveloped areas. Furthermore, these programs are not yet universal and tend to be more active in regions that already have some established banking infrastructure.

114. (B) The cumulative efforts of all stakeholders over the years towards financial inclusion.
A composite index that does not use a fixed baseline provides a continuous measure of total progress. It reflects the combined impact of various policies and initiatives undertaken by banks, insurers, and other financial entities. This approach allows policymakers to see the long-term trend of integration into the formal financial system and evaluate the total success of diverse inclusion strategies.

115. (B) 40
Banking regulations specify that the growth of networks in major urban hubs must be balanced against expansion in smaller towns and underdeveloped regions. The number of new branches opened in large cities is directly linked to the number of outlets established in other areas, including the northeastern states. This ensure a more geographically balanced and inclusive development of the national banking infrastructure.

NODIA

116. (A) Only (I), (II), (III), and (V) are correct
Improving the business model for rural banking agents involves increasing the volume of transactions they process. Programs like universal income can drive this activity, making the outlets more sustainable by reducing per-unit costs. Task forces have also looked at increasing the commissions paid to these agents to ensure their long-term profitability and the continued availability of rural banking points.

117. (C) Group approach
To reach excluded populations more effectively, some financial institutions utilize a model that focuses on lending to small groups rather than individuals. This strategy encourages collective responsibility and mutual support among members, which can reduce the risk of default and lower the cost of managing many small loans. It has proven successful in providing credit to those with limited traditional collateral.

118. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
Public sector banks carry the primary burden of rural lending, while the involvement of private and foreign institutions remains relatively low. At the same time, the ratio of credit to deposits in rural areas often stays depressed, indicating that local savings are not being fully reinvested into the local economy. These two issues are both significant challenges for a fully inclusive financial system.

119. (A) Quality
Beyond just counting bank accounts and transactions, inclusion metrics must assess the standard of service provided to the public. This specific dimension tracks how well-educated

customers are about their choices and how well they are protected from unfair practices. It also looks for gaps and inequalities in service delivery to ensure that the financial system is both effective and fair.

120. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Banks are encouraged to prioritize opening new outlets in unbanked settlements with a significant population. These centers, which fall into a specific classification based on their size, represent a major opportunity to reach many people at once. Focusing on these areas is a strategic part of broader efforts to systematically expand the formal financial network into underserved rural regions.

121. (D) Unstructured Supplementary Service Data (USSD)
Mobile technology allows for financial transactions and account inquiries even without a smartphone or internet connection. By using simple text-based codes on a basic feature phone, individuals can interact directly with banking systems. This protocol is particularly useful in remote areas where internet connectivity may be poor but mobile signals are available, providing a vital link to formal finance.

122. (C) In states with fairly well-developed banking systems.
Small-scale lending programs have not progressed evenly across the country. They tend to be most successful and common in regions that already have a relatively strong institutional banking network. This highlights the need for specialized policies and additional support to expand these programs into more underdeveloped areas where financial exclusion is most severe and where institutional banking is weak.

123. (C) Self Help Groups (SHGs)
Financial education programs target specific groups to provide them with relevant skills and information. These groups often include small-scale entrepreneurs, students, farmers, and members of community-based saving organizations. By tailoring the content to the specific needs and challenges of these populations, the programs aim to make formal banking and insurance products more accessible and understandable to those who need them most.

124. (A) BHIM Aadhaar digital payment platform
This digital solution is specifically designed to overcome barriers like a lack of smartphones or internet access. It allows individuals to pay for goods and services or access their bank accounts using only their unique identity and biological markers at a merchant's point of sale. This innovation ensures that even the most disadvantaged people can participate safely in the modern digital economy.

125. (B) On the third Friday of each month after branch hours.
National guidelines specify the timing for financial literacy events to ensure they are consistent and accessible. Rural bank branches are required to hold regular educational sessions for the local community during a specific time each month. This structured approach helps build awareness about banking services and digital tools among the rural population, promoting the goal of a financially literate society.

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The composite index value for a specific period offers a single number that summarizes the impact of all these different efforts across the entire financial landscape.

75. (A) Only (I), (II), and (III) are correct
Detailed surveys on household finance reveal the complexities of debt in rural areas. While a significant percentage of the population is indebted, the data shows that people use a mix of formal banks and informal sources. Understanding the relative reliance on these different types of lenders is essential for designing policies that encourage the use of safer and more affordable institutional credit.

76. (A) P-2, Q-1, R-3, S-4
Historical data shows a dramatic improvement in the availability of banking services in rural areas over several decades. The number of people served by each rural branch has declined significantly, indicating a denser and more accessible network. This progress is a result of major policy shifts, including bank nationalization and the use of digital mapping to identify and fill service gaps.

77. (A) Only (I) and (II) are correct
Reports on financial inclusion plans provide detailed statistics on the growth of the banking network and the provision of credit. These reports track the number of physical outlets in villages and the total amount of loans provided through specialized schemes for farmers and small businesses. Monitoring these figures helps evaluate whether the banking system is meeting the specific needs of the rural economy.

78. (A) P-1, Q-2, R-3, S-4
Data on basic savings accounts opened under the national mission shows impressive results in expanding financial reach. A large majority of these accounts are held by women and residents of rural areas, highlighting the success of efforts to target underserved groups. The massive growth in total deposits in these accounts also indicates that more people are becoming comfortable with formal banking.

79. (B) Only (II) is correct
The annual measurement of financial inclusion provides a snapshot of the national status without using a fixed baseline. This approach allows the index to reflect the total cumulative progress made by various financial entities over the years. The specific score for a recent period shows the level of integration citizens have with banking, insurance, and other formal financial services across the country.

80. (D) Lead District Managers - Regulating the equity participation of Central Government in RRBs.
Various specialized entities and roles exist within the rural financial system to perform specific functions. Some institutions focus on payments, while others prioritize lending to small-scale borrowers or providing vocational training. At the local level, certain officials are responsible for coordinating the activities of multiple banks to ensure that district-level credit plans and development goals are effectively pursued.

NODIA

81. (A) Only (I), (II), and (III) are correct
The national initiative to provide basic banking has seen a steady increase in the number of account holders, with a significant majority being women. This effort is complemented by advanced payment systems that allow for secure and interoperable transactions at various service points. Together, these tools provide a robust foundation for including more people in the formal financial and digital economies.

82. (D) All (I), (II), (III), and (IV) are correct
The evolution of the national banking system has been marked by several key legislative and policy milestones. These include the establishment of large-scale public banks, the nationalization of commercial banking, and the creation of specialized rural and local institutions. Each of these steps was designed to expand the reach of financial services and ensure that credit is available for all segments of society.

83. (A) P-1, Q-2, R-3, S-4
Multiple regulatory and advisory groups work together to manage and promote financial inclusion at different levels. High-level groups coordinate national strategy, while state committees oversee local implementation. Within each district, a designated bank takes the lead in coordinating the efforts of all financial institutions. This structured approach ensures

based database

(C) On-site chemical reactants that transmit localized binary codes to the lab

(D) GPS-guided physical testing using specialized autonomous robotic systems

May/June 2025

8. The National e-Governance Plan - Agriculture (NeGP-A) aims to provide an integrated approach to the delivery of services. Conceptually, what major gap is NeGP-A aimed at bridging?

(A) Funding shortfalls for the individual procurement of heavy agricultural tools

(B) Communication gaps caused by a lack of real-time information delivery

(C) Organic fertilizer availability issues in regions relying purely on rainfall

(D) Physical infrastructure gaps between local farm gates and regional mandis

Oct/Nov 2018

9. Which of the following statements correctly identifies the impact of satellite imagery and other remote inputs in agriculture?

(A) They have completely replaced the need for ground-level water supply meters.

(B) They allow for more accurate weather forecasts and advance warnings on pest infestation.

(C) They are exclusively used for tracking the provenance of food in the supply chain.

(D) They prevent the necessity of implementing blockchain technology in rural areas.

May/June 2006

10. In the year 2050, the average farm in the US is estimated to generate how many data points daily?

(A) 1,90,000

(B) 15 billion

(C) 4.1 million

(D) 75 million

Oct/Nov 2012

11. Which statement correctly details the function of eNAM?

(A) A localized hardware mechanism used for irrigation systems in dry regions

(B) An offline database for historical record keeping within mandi directorates

(C) A central sector scheme for demarcating rural lands using drone technology

(D) An online platform facilitating better price discovery for commodities

May/June 2014

12. Radio Frequency Identification (RFID) is defined as:

(A) Remote sensing technology used to acquire Earth information without physical contact

(B) A network of satellites and devices used to determine precise locations on Earth

(C) Wireless communication using electromagnetic coupling to uniquely identify objects

(D) Imaging technology providing detailed spectral information for high-resolution soil mapping

Oct/Nov 2020

13. Incentivizing digital transactions for individuals and merchants is being driven through NABARD. Which specific incentive scheme is conceptually designed for this purpose?

(A) Bharat Interface for money (BHIM) incentive schemes

(B) Atal Pension Yojana

(C) e-Shakti Initiative

(D) National e-Governance Plan (NeGP-A)

May/June 2008

14. While standard automation operates on triggers to execute specific tasks, Artificial Intelligence (AI) takes automation to another level. What is the primary conceptual distinction of AI in this context?

(A) Focusing on mechanical harvesting tasks without utilizing external data inputs

(B) Eliminating sensor requirements by using purely traditional physical farm tools

(C) Using information interpretation to automate complex decision-making processes

(D) Serving as a static data repository without making any operational farm decisions

Oct/Nov 2016

15. Regarding the initiative to facilitate Direct Benefit Transfer (DBT) in Rural Cooperative Banks (RCBs), which statement is correct?

(A) Prohibiting RCBs from linking to RBI gateways to maintain total independence

(B) Requiring RCBs to establish separate physical branches for DBT collection

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(C) Replacing all core banking functions with manual ledger accounts for DBT
(D) RBI gateway links enabling seamless credit of benefits into accounts

May/June 2022

16. A geographic information system (GIS) is defined as a system that:
(A) Maps multiple datasets tied to specific spatial locations
(B) Identifies crop heat signatures using high-frequency sonar technology
(C) Represents unstructured data for purely graphic scientific studies
(D) Stores smart farming data via secure decentralized ledger networks

Oct/Nov 2005

17. Which of the following statements correctly highlights a benefit of technology usage in agriculture at the state/nation level?
(A) Spatial monitoring that aids water conservation and lowers carbon footprints
(B) Increasing farmer dependence on state extension machinery for crop scheduling
(C) Stunting agricultural GDP growth by standardizing diverse local farming outputs
(D) Ensuring the total elimination of soil erosion across all types of topography

May/June 2011

18. In which year was the term "Internet of Things" (IoT) coined, and by whom?
(A) By Kevin Ashton in the year 1999
(B) By the United Nations Global Compact in 2000
(C) By the Information Technology Research Academy in 2013
(D) By the Ministry of Panchayati Raj in 2020

Oct/Nov 2014

19. Machine Learning, a branch of artificial intelligence and computer science, focuses on the use of data and algorithms. What is its conceptual mechanism?
(A) It hardcodes permanent rules into tractor operating systems
(B) It maps land parcels using drone technology to generate Title deeds
(C) It manually links each block, district, and state headquarters for disease reporting
(D) It imitates the way that humans learn, gradually improving its accuracy

May/June 2023

20. The operations covered under IoT-driven technology are applicable to the whole agri-value chain. Conceptually, which of the following is an IoT-based operation related to readiness of crops?
(A) Automated sorting and grading using synthetic impurity detection
(B) Providing digitized land records for easier processing of farm loans
(C) Migrating cooperative banks to modern core banking systems for efficiency
(D) Issuing ownership cards to property owners in rural inhabited households

Oct/Nov 2008

21. Which statement correctly describes a Decision Supporting System (DSS)?
(A) It is a hardware component attached to agricultural drones for spraying pesticides.
(B) It is a financial ledger used exclusively by self-help groups for their internal audits.
(C) It is an information system that supports business or organizational decision-making activities.
(D) It is a mobile signal booster utilized in areas with intermittent connectivity.

NODIA

May/June 2005

22. What proportion of agriculture is currently estimated to be practiced in irrigated conditions?
(A) Exactly half of the agricultural land
(B) A little less than half of agriculture
(C) Approximately 75 percent of agriculture
(D) Only a negligible fraction, as a large share remains rainfed

Oct/Nov 2024

23. In many developed countries and emerging economies, farming has been modernized to such an extent that agriculture is increasingly spoken of as a:
(A) Conventional Enterprise
(B) Subsistence Model
(C) Biological Mechanism
(D) Value System

May/June 2017

24. Which statement correctly describes the "IoT ecosystem"?
(A) The collection of physical tractors and

sprayers used for tillage and weeding
(B) The satellite systems used to predict cropping patterns across seasonal shifts
(C) The ledger of transactions validating resource use via smart digital contracts
(D) The network of devices, dashboards, and storage enabling IoT connectivity

Oct/Nov 2010

25. The SVAMITVA Scheme is a reformative step to establish clear ownership of property in rural inhabited areas. Conceptually, how does this empower rural household owners?
(A) Providing automatic registration on the eNAM portal for trading commodities
(B) Allowing property use as financial assets for loans and benefits
(C) Converting existing agricultural land into high-growth industrial development zones
(D) Waiving all outstanding agricultural credits linked to a farmer's Aadhar ID

May/June 2013

26. Agricultural Technology Management Agency (ATMA) is best defined as:
(A) An online platform providing daily mandi prices and market trends for commodities
(B) A database for the Agricultural Census containing operational land holding details
(C) A national e-governance strategy for delivering online services to the community
(D) A district-level agency managing technology adoption and research-extension links

Oct/Nov 2021

27. In the implementation of the SVAMITVA scheme, which statement correctly identifies the nodal department at the state level?
(A) The Revenue Department / Land Records Department
(B) The State IT and Telecommunications Department
(C) The State Ministry of Environment and Forests
(D) The State Agricultural Extension Agency

May/June 2016

28. Through the Kisan Call Centre, farmers are provided with relevant information relating to soil, crop, and weather. What is the toll-free number allotted for the Kisan Call Centre?
(A) 18001801551
(B) 18001801515
(C) 18001551801
(D) 18001551818

Oct/Nov 2006

29. Regarding the government's universal soil health card scheme, which of the following statements is correct?
(A) It eliminates the total requirement for chemical fertilizers on all farm types
(B) It replaces the need for Aadhar identification when delivering support services
(C) Providing soil health status information for optimal resource allocation
(D) Preventing farmers from cultivating more than one crop type per season

May/June 2024

30. Which entities are well positioned to act as the nerve centres for AI applications and knowledge diffusion among the farming community?
(A) National Informatics Centres linked with Regional Rural Bank headquarters
(B) Primary Agricultural Credit Societies and various commercial lending banks
(C) National Animal Disease Reporting blocks and central animal disease units
(D) Public extension centers, Krishi Vigyan Kendras, and district ATMA units

Oct/Nov 2019

31. Identify the INCORRECT statement regarding the digitizing of Self-Help Groups under the e-Shakti project.
(A) The project aims to create a digital ecosystem providing an end-to-end solution to the SHG-Bank Linkage Program.
(B) It helps standardize books of accounts and brings transparency in operations.
(C) Under this initiative, exactly 140.9 lakh SHGs were onboarded covering 12.3 lakh members.
(D) The project assists financial institutions in capturing the demographic and financial profiles of SHGs.

May/June 2012

32. The Digital India Land Record Modernization Program ushers in a new system of land records. Which of the following is NOT a feature replacing the present system under this program?
(A) Automated and automatic mutation

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(B) Re-establishing the presumptive title system
(C) Conclusive titling with title guarantee
(D) Integration between textual and spatial records

Oct/Nov 2025

33. Identify the INCORRECT statement concerning Artificial Intelligence (AI) and its algorithms.
(A) AI takes automation to another level by incorporating analysis and learning on the basis of past and current data.
(B) Applications based on AI require small amounts of basic data to properly train the algorithms.
(C) AI deployment is a natural corollary of large data warehousing and automation.
(D) AI can offer more reliable predictions to be used as a basis for planning all agricultural activities.

May/June 2007

34. The Ministry of Agriculture & Farmers' Welfare developed a comprehensive ICT strategy. What is the most appropriate dual aim of this strategy?
(A) Decreasing the number of Kisan Call Centres and limiting all SMS notifications
(B) Transitioning all rural cooperative banks away from modern Core Banking Systems
(C) Exclusively promoting pastoral nomadism among the most marginal farmer groups
(D) Reaching out to farmers easily and facilitating monitored policy decisions

Oct/Nov 2013

35. Geographical Information Systems (GIS) provide advanced capabilities in modern agriculture. Which of the following is NOT typically a function supported by GIS tools and analytics in this context?
(A) Modifying the genetic sequence of newly discovered crop varieties in a laboratory.
(B) Graphically depicting varied detail on a spatially mapped location.
(C) Depicting collection of data on crop acreage, production, and disease.
(D) Maintaining a geo-database of farmers across large territories.

May/June 2018

36. While biometric identification has narrowed the account ownership gap, pockets of exclusion remain. What is the most appropriate approach suggested to address this need for holistic financial inclusion?
(A) Following a customer-centric approach focusing on livelihoods and digital banking through BC channels.
(B) Following a purely urban-centric banking approach excluding physical branches.
(C) Eliminating all BC channels to reduce intermediary fraud.
(D) Restricting credit access solely to large-scale industrial farmers.

Oct/Nov 2017

37. Identify the INCORRECT statement regarding the scope of using digital technology for growth in agriculture.
(A) Digital technologies strictly prohibit machine systems from interacting and coordinating their activities.
(B) Digitalized Direct Benefit Transfer (DBT) to farmers is considered a vital step in agricultural transformation.
(C) Use of Aadhar uniquely identifies an individual and helps manage the delivery of support.
(D) The building of a comprehensive digital database of farmers is essential for implementing promotional schemes.

NODIA

May/June 2020

38. The SVAMITVA scheme covers multifarious aspects to empower rural areas. Which of the following is NOT an aspect covered by the scheme?
(A) Facilitating the monetization of properties through formal financial systems
(B) Reducing the number of property-related disputes in rural inhabited areas
(C) Enabling comprehensive village-level planning and infrastructure development
(D) Providing a conclusive guarantee of minimum crop yields for the village

Oct/Nov 2022

39. Machine learning uses various techniques to interact with farmers. Which of the following represents the most appropriate benefit of using cognitive technologies in this domain?
(A) Ensuring that the physical assembly of people remains the primary market mechanism
(B) Restricting data collection to historical

paper records to avoid network issues
(C) Replacing the need for physical farm implements entirely with digital software
(D) Analyzing diverse information like weather and soil to maximize output

May/June 2009

40. Identify the INCORRECT statement about the National Animal Disease Reporting System (NADRS).
(A) It is a nationwide program launched by the Ministry of Agriculture.
(B) It introduces a computerized system of Animal Disease Reporting.
(C) The Central Disease Reporting and Monitoring Unit is located at the Department of Animal Husbandry, Dairying and Fisheries in Delhi.
(D) It isolates each village's disease reports, strictly preventing linkage to district and state headquarters.

Oct/Nov 2011

41. Arrange the following technological and policy milestones in chronological order based on their introduction or stated timeframes:
I ITRA identifying research areas in robotics and sensors
II Coining of the term "Internet of Things"
III Initiation of the Digital Agriculture Mission
IV Launch of the SVAMITVA scheme
(A) (I), (II), (III), (IV)
(B) (II), (I), (IV), (III)
(C) (II), (IV), (I), (III)
(D) (I), (IV), (II), (III)

May/June 2015

42. Under the digital agriculture mission initiated for 2021-2025, several partnerships have been formed for pilot projects. Which of the following statements is INCORRECT regarding these partnerships?
(A) Cisco Systems and Ninjacart Company are among the partners for pilot projects.
(B) Jio Platforms Limited and ITC Limited are participating in harnessing data for agricultural development.
(C) Government restrictions limiting partnerships solely to public sector units
(D) NCDEX e-Markets Limited (NeML) is involved in projects based on new technologies like AI and blockchain.

Oct/Nov 2023

43. Under the Payment Acceptance Infrastructure, Point of Sale (PoS) / mobile PoS (mPoS) terminals are deployed in one lakh villages. This deployment targets which tier of centres?
(A) Tier 1 to Tier 2 centres
(B) Tier 3 to Tier 6 centres
(C) Exclusively Metro and Urban centres
(D) Exclusively Tier 1 centres

May/June 2010

44. Remote sensors, satellites, and Unmanned Aviation Vehicles (UAVs) gather vast amounts of field data. Which of the following is NOT an example of the information cognitive technologies analyze and correlate?
(A) Identifying types of soil or specific infestations in a designated farm area
(B) Calculating disease probability based on data from historical yearly outcomes
(C) Analyzing various market trends, prices, and changing consumer requirements
(D) Mechanical specifications for manufacturing internal combustion tractor engines

Oct/Nov 2007

45. The Government of India is continuing its efforts under a specific program intended to yield comprehensive socioeconomic benefits. What is the most appropriate goal stated for this program regarding farmers' income?
(A) Subsidizing the Farmers Income by 2030
(B) Standardizing the Farmers Income by 2025
(C) Doubling the Farmers Income by 2022
(D) Privatizing the Farmers Income by 2024

May/June 2019

46. Which of the following statements regarding Big Data Analytics in agriculture is INCORRECT?
(A) Government agricultural schemes like AGMARKNET and NADRS are driving the need for Big Data Analytics.
(B) Big Data Analytics has already reached its absolute peak development stage in India, requiring no further technological penetration.
(C) Harnessing big data for weather-index based insurance is a viable proposition to manage financial and climate risks.
(D) The challenges in managing big data include collecting and collating the data, storage, rights to the data, querying, and transfer.

NODIA

extension machinery of the state.
II Spatial data analysis and state-wide monitoring strictly increase the ground water depletion rate and carbon footprint.
Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2010

86. Match the common IoT devices in List I with their specific applications in List II.
List I: (IoT Devices)
P. Pond logs
Q. Alternate wetting and drying note
R. Sorter and grader
S. Weather gauge
List II: (Applications)
1. Measures wind, humidity, and temperature
2. Facilitates automation of aquaculture and shrimp pond management
3. Used for alternate wetting and dry system of irrigation
4. Evaluates and categorizes the physical quality/size of farm produce
(A) P-2, Q-3, R-4, S-1
(B) P-3, Q-2, R-1, S-4
(C) P-1, Q-4, R-3, S-2
(D) P-4, Q-1, R-2, S-3

Oct/Nov 2007

87. Which combination of the following represents the challenges in managing big data in agriculture?
I Collecting and collating the data
II Data storage
III Rights to the data and data analysis
IV Querying and transfer
(A) (I), (II), and (III) only
(B) (II), (III), and (IV) only
(C) (I), (III), and (IV) only
(D) (I), (II), (III), and (IV)

May/June 2019

88. Match the systems/programs in List I with their key functions in List II.
List I: (Systems)
P. NADRS
Q. NeGP-A
R. NRSC
S. SVAMITVA
List II: (Functions)
1. Manages data from aerial and satellite sources
2. Nationwide program introducing a computerized system of animal disease reporting
3. Aims to provide an integrated approach using ICT to deliver services to farming communities
4. Facilitates clear ownership of property in rural inhabited areas via drones
(A) P-2, Q-3, R-1, S-4
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

Oct/Nov 2015

89. Which combination of the following mechanisms is applied to refine the practice of agriculture in rainfed and irrigated conditions?
I Micro-irrigation
II Fertigation
III Protected cultivation systems
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

May/June 2021

90. Identify the INCORRECTLY paired technological solution and its function.
(A) KrishiSuchak - Replaces all physical tractors with autonomous robotic vehicles for large scale tillage
(B) SatSure - Integrates satellite imagery, weather, and big data/IoT analytics for financial security and crop insurance
(C) Radio Monsoon - Ensures safety among fishermen in south India by gathering coastal weather information
(D) Azure FarmBeats - Enables a rich ecosystem of agriculture technology, sensors, and data providers

Oct/Nov 2009

91. The following questions consist of two statements—an Assertion (A) and a Reason (R). Answer the questions by selecting the appropriate option.
Assertion (A): Crop condition information acquired at early stages in the crop growing season using GIS is highly important for

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labor required for sorting fresh produce
(B) Obscuring the provenance of food to protect farmer privacy from global markets
(C) Validating material authenticity and providing source-to-point traceability
(D) Replacing all biological interventions used in Integrated Nutrient Management

Oct/Nov 2020

55. To implement Direct Benefit Transfer (DBT) and improve banking services in Rural Cooperative Banks (RCBs), several initiatives have been facilitated. Which of the following was NOT an outcome of recognizing micro-ATMs as ATMs for RCBs?
(A) Eliminating the expense of intermediary financial inclusion servers
(B) Helping beneficiaries receive their DBT benefits with increased efficiency
(C) Allowing rural touch points to serve as effective channels for DBT receipt
(D) Mandating RCBs to permanently discontinue their existing NEFT memberships

May/June 2008

56. Which of the following statements about the progress of IoT in global agriculture is INCORRECT?
(A) Drone-powered solutions projected to value under USD 1 billion
(B) The US leading the world in the adoption of IoT within agriculture
(C) IoT device installations in US agriculture estimated at around 75 million
(D) Aero Farms building and operating large-scale indoor vertical farm systems

Oct/Nov 2016

57. The CBS project in RCBs helped credit DBT seamlessly. What was the most appropriate technical linkage that facilitated this?
(A) Linking to RBI payment gateways and micro-ATM rural touch points
(B) Linking offline village ledgers directly to SVAMITVA drone data streams
(C) Linking local panchayat systems to complex international blockchain networks
(D) Linking crop health sensors directly to ATM cash dispensing mechanisms

May/June 2022

58. Which of the following statements about the National Remote Sensing Centre (NRSC) is INCORRECT?
(A) Setting the minimum support prices for agricultural commodities at mandis
(B) Operating as one of the key centres of the Indian Space Research Organization
(C) Managing large-scale data acquired from various aerial and satellite sources
(D) Conducting satellite-derived cropping pattern and drought assessment studies

Oct/Nov 2005

59. The next stage of interventions for rainfed and irrigated agriculture will extensively use specialized sensors. What is the most appropriate primary function of these specialized sensors in protected cultivation systems?
(A) Manually distributing chemical fertilizers across the field using hand tools
(B) Acting as a physical barrier to prevent pest infestations from entering farms
(C) Assessing soil moisture to control water flow and nutrient dosage
(D) Automatically generating crop insurance claims sent directly to the government

May/June 2011

60. IoT technology in agriculture comprises numerous devices and equipment for agri-solutions. Which of the following is NOT a common IoT device/equipment in agriculture?
(A) Pump-set motor controller (mobile based)
(B) Cryptographic hash generator for fiat currency minting
(C) Water quality meter
(D) Sowing app/harvesting app/watering app

Oct/Nov 2014

61. Match the keywords in List I with their definitions/descriptions in List II.
List I: (Keywords)
P. Agmarknet
Q. Artificial intelligence
R. ATMA
S. Block Chain
List II: (Definitions)
1. Intelligence demonstrated by machines, opposed to natural intelligence
2. Outfit set up at the district level for research, extension, and farmer linkage

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II Ontology-based CDN Systems are planned to assist sensors in capturing and analyzing data with standard data sets for a specific crop domain dynamically.

Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2012

74. Identify the correctly paired technological solution and its key developing/partnering entity.
(A) SENSAGRI - Developed exclusively by the Ministry of Panchayati Raj
(B) KrishiSuchak - Developed by the Indian Space Research Organization as a blockchain system
(C) SmartFarming4AP - Developed by the Government of Andhra Pradesh with Bill & Melinda Gates Foundation and Dalberg Advisors
(D) Radio Monsoon - Developed by Microsoft Azure FarmBeats

Oct/Nov 2025

75. Drones are used in agriculture throughout the crop cycle in six ways. Which combination covers these documented applications?
I Soil and field analysis
II Planting and crop spraying
III Crop monitoring and irrigation
IV Plant health assessment
(A) (I), (II), and (III) only
(B) (II), (III), and (IV) only
(C) (I), (II), and (IV) only
(D) (I), (II), (III), and (IV)

May/June 2007

76. Match the Remote Sensing applications in List I with their corresponding targets/functions in List II.
List I: (Applications)
P. Visible, near-infrared sensors
Q. Ocean temperature maps
R. Side-looking airborne radar
S. Remote satellite/drone imagery
List II: (Targets/Functions)
1. Show upwelling and chlorophyll distribution
2. Estimation of acreage under cultivation and crop losses
3. Form images of the earth's surface by detecting reflected solar radiation
4. Detect shoals of surface swimming fish
(A) P-3, Q-1, R-4, S-2
(B) P-1, Q-3, R-2, S-4
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-4, R-3, S-1

Oct/Nov 2013

77. Which combination of the following approaches is suggested to tackle the pockets of exclusion for holistic financial inclusion?
I Following a customer-centric approach focusing on livelihoods
II Focusing on digital banking through BC channels
III Creation of financial awareness among unbanked/households
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

May/June 2018

78. Match the keywords in List I with their definitions/descriptions in List II.
List I: (Keywords)
P. Data Virtualization
Q. Geographical Information System (GIS)
R. Geographical Positioning System (GPS)
S. Hyperspectral Remote Sensing (HRS)
List II: (Descriptions)
1. Inter-disciplinary field dealing with graphic representation of data
2. Database containing geographic data with software tools for managing those data
3. Network of satellites and receivers to establish precise location
4. Also known as imaging spectroscopy, presenting spectral information on a spatial basis
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-1, R-4, S-3
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-3, R-2, S-1

Oct/Nov 2017

79. Consider the following statements regarding the Financial Inclusion program's push for account coverage:
I The government's push to increase account coverage through biometric identification

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(A) (II), (I), (IV), (III)
(B) (I), (II), (III), (IV)
(C) (II), (IV), (I), (III)
(D) (IV), (II), (I), (III)

May/June 2013

68. Consider the following statements regarding the interaction of machine systems via digital technologies:
I A drone, spray machine, and tractor are made more relevant when their systems are able to signal each other digitally.
II Digital technologies allow these physical machines to interact and coordinate their activities in a logical fashion.
Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2021

69. Which combination of the following represent uses of Blockchain technology in the agricultural sector?
I Confirming good agricultural practices and building traceability
II Validating resource use efficiencies
III Preventing price extortion and delayed payments
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

May/June 2016

70. Match the keyword concepts in List I with their descriptions in List II.
List I: (Concepts)
P. IARI
Q. ITRA
R. INM
S. KVK
List II: (Descriptions)
1. Maintenance of soil fertility and optimum plant nutrient supply
2. Agricultural extension centers associated with a local agricultural university
3. India's national Institute for agricultural research, education and extension
4. National program aimed at building a resource for R&D in IT and electronics
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2006

71. Which combination of the following statements accurately describes the Kisan Call Centre Data Base?
I They are working in 21 different locations in the country.
II They utilize a country-wide common eleven digits Toll-Free Number.
III Replies to farmers' queries are given in 22 local languages.
IV Farm Tele Advisors (FTAs) managing the queries are graduates in Agriculture or allied sectors.
(A) (I), (II), and (III) only
(B) (II), (III), and (IV) only
(C) (I), (III), and (IV) only
(D) (I), (II), (III), and (IV)

May/June 2024

72. Match the organizations/initiatives in List I with their roles in agricultural progress in List II.
List I: (Organizations)
P. NRSC
Q. ITRA
R. IARI
S. KVK / ATMA
List II: (Roles)
1. Nerve centres for AI applications and knowledge diffusion
2. Formulated collaborative project "SENSAGRI"
3. Identified areas for research in robotics and sensors in 2013
4. Conducts seasonal cropping pattern and yield estimation experiments
(A) P-4, Q-3, R-2, S-1
(B) P-3, Q-1, R-4, S-2
(C) P-1, Q-4, R-3, S-2
(D) P-2, Q-4, R-1, S-3

Oct/Nov 2019

73. Consider the following statements regarding proposed ICT initiatives in agriculture:
I The proposal includes connecting field level devices with district weather departments to provide information on severe weather changes.

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Oct/Nov 2015

47. The application of IoT technology in agriculture can bring social change to rural society. What is the most appropriate reason for this social change?
(A) Mandating farmers to surrender all decision authority to automated robotic systems
(B) Enabling farmers to develop plans independently using data-driven insights
(C) Restricting farmers from course correction to enforce rigid statewide schedules
(D) Completely eliminating the need for any financial credit or insurance in rural areas

May/June 2021

48. Which statement regarding Krishi Vigyan Kendras (KVK) is INCORRECT?
(A) Agricultural extension centers usually associated with local agricultural universities
(B) Applying agricultural research in theoretical settings without practical use
(C) Serving as the ultimate link between the ICAR and the individual farmer
(D) Falling under the jurisdiction of one of the 11 Agricultural Technology institutes

Oct/Nov 2009

49. The Information Technology Research Academy (ITRA) identified various areas for research purpose in agriculture. Which of the following was NOT identified as a primary research area by ITRA in this context?
(A) Deep ocean oil drilling mechanics
(B) Robotics
(C) Sensors
(D) Interpretation and use of sensor data

May/June 2025

50. Big Data Analytics penetration is driven by multiple government schemes. Which of the following is NOT one of the schemes driving the need for Big Data Analytics in the agricultural sector?
(A) AGMARKNET/e-NAM
(B) National Animal Disease Reporting System (NADRS)
(C) National e-Governance Plan for Urban Traffic Control
(D) Kisan Call Centre Database

Oct/Nov 2018

51. Several technological solutions aim at helping farmers for farm development. What is the most appropriate primary aim of the KrishiSuchak app?
(A) To ensure safety among fishermen by gathering coastal information.
(B) To integrate satellite imagery and big data for crop insurance.
(C) To automate the manual driving of tractors in large operational holdings.
(D) To enable smallholders to reach out to agricultural scientists for advice via a digital interface.

May/June 2006

52. Identify the INCORRECT statement regarding the Bank Sakhi model supported by NABARD.
(A) It coopts Self-Help Group (SHG) members as Business Correspondent Agents (BCAs) of the banks.
(B) It was pioneered to provide time-flexible, acceptable, trustworthy, and dependable BC services.
(C) It facilitates SHG transactions at the micro-ATM level, saving members from visiting faraway branches.
(D) Dual authentication is explicitly prohibited at BC points to ensure faster, unsecured transactions.

Oct/Nov 2012

53. The transformational role of digital technologies implies significant shifts in traditional agricultural practices. Which of the following is NOT an outcome of this transformation?
(A) Information dissemination moving from radio to mobile and internet technologies
(B) Digitalized information systems allowing for remote access to expert knowledge
(C) Mandatory physical assembly for market operations to ensure transparency
(D) Cultivation costs and farm sustainability experiencing transformational changes

May/June 2014

54. Blockchain technology promises a reliable source of truth in the agricultural value chain. What is the most appropriate advantage of its immutable record-keeping system for input and output supply chains?
(A) Guaranteeing an increase in the manual

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has widened the account ownership gap between men and women.
II Despite improvements, there are still pockets of exclusion that require a customer-centric approach focusing on livelihoods and digital banking.

Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2020

80. Identify the INCORRECTLY paired keyword and its associated jurisdictional or functional detail.
(A) KVK - Falls under the jurisdiction of one of the 11 Agricultural Technology Application Research Institutes (ATARIs)
(B) NADRS - Central Disease Reporting and Monitoring Unit is located in Delhi
(C) Agmarknet - Designed, developed, and hosted by the National Informatics Centre (NIC)
(D) eNAM - A non-binding United Nations pact to encourage sustainable business policies

Oct/Nov 2022

81. Which combination of the following initiatives was undertaken under the Financial Inclusion Fund?
I Supporting weak RRBs and RCBs to implement CBS
II Facilitating the RTGS/NEFT sub-membership for RCBs
III Pioneering the Bank Sakhi model
IV Deploying PoS/mPoS terminals globally across Tier 1 urban centres exclusively
(A) (I), (II), and (III) only
(B) (II), (III), and (IV) only
(C) (I), (II), and (IV) only
(D) (I), (III), and (IV) only

May/June 2009

82. Match the agencies in List I with the information gathered for the radio station Radio Monsoon in List II.
List I: (Agencies)
P. INCOIS
Q. NCMRWF
R. IIT
S. KDMA
List II: (Description)
1. Madras
2. Kerala Disaster Management Authority
3. Indian National Centre for Ocean Information Services
4. National Centre for Medium-Range Weather Forecasting
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2011

83. Match the FinTech initiatives in List I with their operational benefits in List II.
List I: (Initiatives)
P. Migration to CBS
Q. Facilitating DBT
R. Bank Sakhi model
S. e-Shakti
List II: (Benefits)
1. Standardizes books of accounts and captures demographic profiles of SHGs
2. Coopts SHG members as BCAs to provide trustworthy BC services
3. Essential for providing digital banking services to remote rural areas
4. Credits benefits seamlessly into accounts via RBI's RTGS/NEFT payment gateways
(A) P-3, Q-4, R-2, S-1
(B) P-4, Q-3, R-1, S-2
(C) P-1, Q-2, R-3, S-4
(D) P-2, Q-1, R-4, S-3

May/June 2015

84. The partner ecosystem for agricultural technology integration includes a combination of which of the following entities?
I Infosys
II Tata Consultancy Services
III Indian Space Research Organization
(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

Oct/Nov 2023

85. Consider the following statements regarding the benefits of technology usage for society:
I The application of IoT allows farmers to develop plans and execute them independently without depending on the

NODIA

3. Portal providing price trends of commodities including daily mandi prices
4. Technology enabling traceability of information to improve food safety

(A) P-1, Q-3, R-4, S-2
(B) P-3, Q-1, R-2, S-4
(C) P-4, Q-2, R-3, S-1
(D) P-2, Q-4, R-1, S-3

May/June 2023

62. Consider the following statements regarding core banking systems in rural areas:

I Migration to the CBS platform is essential for providing digital banking services to remote rural areas.
II Support has been extended to weak RRBs and Rural Cooperative Banks (RCBs) to implement CBS.

Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2008

63. Match the modern management technologies in List I with their corresponding mechanisms/ descriptions in List II.

List I: (Technologies)
P. Geographical Information System (GIS)
Q. Big Data Analytics
R. Artificial Intelligence (AI)
S. Blockchain Technology

List II: (Mechanisms)
1. Ledger of accounts written and stored by all participants
2. Integrates multiple data tied to a spatially mapped location
3. Incorporates analysis and learning based on past and current data for decision making
4. Penetrates via Social Computing, Data Virtualization, and Machine Learning

(A) P-2, Q-3, R-1, S-4
(B) P-2, Q-4, R-3, S-1
(C) P-4, Q-1, R-2, S-3
(D) P-3, Q-2, R-4, S-1

May/June 2005

64. To solve issues of poor telecom connectivity in remote areas, which combination of the following solutions was supported for fixed customer service points or areas with intermittent connectivity?

I Solar power VSATs
II Mobile signal boosters
III Submarine fiber optic laying

(A) (I) and (II) only
(B) (II) and (III) only
(C) (I) and (III) only
(D) (I), (II), and (III)

Oct/Nov 2024

65. Identify the correctly paired machine/algorithm concept and its operational approach.

(A) Machine Learning - Imitating the way humans learn, gradually improving accuracy using data and algorithms
(B) Data Virtualization - Securing physical bank branches with CCTV
(C) Unmanned Aviation Vehicles (UAVs) - Identifying heat signatures using side-looking sonar
(D) Radio Frequency Identification (RFID) - Managing ocean chlorophyll upwelling

May/June 2017

66. Which combination of the following statements details the SVAMITVA scheme?

I It was launched in April 2020 by the Ministry of Panchayati Raj.
II It maps land parcels using drone technology.
III It provides 'Record of Rights' with issuance of legal ownership cards.
IV It is exclusively managed by the Ministry of Agriculture & Farmers' Welfare without state involvement.

(A) (I), (II), and (III) only
(B) (II), (III), and (IV) only
(C) (I), (III), and (IV) only
(D) (I), (II), (III), and (IV)

Oct/Nov 2010

67. Blockchain technology ensures traceability in the agricultural supply chain. Arrange the following stages in the chronological flow as recorded by an immutable blockchain system:

I Confirming good agricultural practices at the farm level
II Validating the authenticity of planting material (inputs)
III Point of consumption
IV Building traceability for the produce from farm to fork

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agricultural decision making.
Reason (R): Early stage information is considered more important than acquiring the exact production only after the harvest time.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2025

92. An aquaculture farmer installed an IoT device known as a "pond log" in a shrimp pond. This device constantly measures temperature and oxygen levels.
According to the IoT definition in agriculture, what makes this standalone device part of the "IoT ecosystem"?
(A) Featuring a mechanical turbine that stirs the water based on a manual switch
(B) Acting as a closed-circuit camera that records footage locally on removable tape
(C) Communicating data over a network without human-to-computer interaction
(D) Requiring the farmer to personally download data using a wired physical connection

Oct/Nov 2018

93. To enhance the payment acceptance infrastructure, various channels have been supported. Which combination represents the supported elements under this mission?
I Full coverage of KCC accounts with EMV chip-based RuPay Kisan Credit (RKCs) cards
II Micro ATMs supported in schools and colleges
III Micro ATMs supported in milk societies and other societies
IV Support to BCs/Bank Sakhis and branches for banking transactions
V Deployment of PoS/mPoS terminals in one lakh villages in Tier 3 to Tier 6 centres
(A) (I), (II), and (III) only
(B) (II), (III), (IV), and (V) only
(C) (I), (III), (IV), and (V) only
(D) (I), (II), (III), (IV), and (V)

May/June 2006

94. A group of fishermen in a coastal village face unpredictable weather events. A technological solution provides them with timely safety advisories using data gathered from multiple scientific agencies.
Which of the following initiatives facilitates this service?
(A) SatSure
(B) KrishiSuchak
(C) Radio Monsoon
(D) SVAMITVA

Oct/Nov 2012

95. The following questions consist of two statements—an Assertion (A) and a Reason (R). Answer the questions by selecting the appropriate option.
Assertion (A): Digitization of land records and providing facility to banks for creating online charge can help in reducing instances of multiple or double financing on the same piece of land.
Reason (R): Online charges on a digitized platform enhance transparency, making existing encumbrances visible to banks extending agricultural credit.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2014

96. Sunita, a member of a local Self-Help Group (SHG), is trained and equipped with a micro-ATM. She now provides time-flexible, trustworthy banking services to her village, saving other SHG members from travelling to faraway bank branches.
This model is known as:
(A) The e-Shakti Model
(B) The Bank Sakhi Model
(C) The SVAMITVA Model
(D) The NeGP-A Model

Oct/Nov 2020

97. A wide variety of IoT sensors measure limitless amounts of data. Which combination includes

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and communication technologies, the plan ensures that critical data reaches farmers promptly, supporting better decision-making and improving productivity.

9. (B) They allow for more accurate weather forecasts and advance warnings on pest infestation.
Satellite imagery and remote sensing inputs have revolutionized agricultural management by providing high-resolution, temporal data. These technologies enable the delivery of more accurate weather forecasts and early warnings regarding potential pest infestations. By identifying environmental changes before they become critical, farmers can take proactive measures to protect crops. This leads to reduced losses, improved yields, and better farm sustainability.

10. (C) 4.1 million
Future farming is expected to be increasingly data-intensive, with a massive surge in information generated per hectare. By the year 2050, it is estimated that the average farm in the United States will generate approximately 4.1 million data points every day. This growth highlights the importance of big data analytics and automated systems in managing complex agricultural operations efficiently.

11. (D) An online platform facilitating better price discovery for commodities
The electronic National Agriculture Market serves as a pan-India trading portal that networks existing physical mandis. Its primary function is to create a unified national market for agricultural commodities by providing an online platform. This facilitates better price discovery for farmers and traders, removes information asymmetry, and promotes transparency in transactions, ensuring that producers receive more competitive prices.

12. (C) Wireless communication using electromagnetic coupling to uniquely identify objects
Radio Frequency Identification is a wireless technology that utilizes electromagnetic coupling to uniquely identify objects. By attaching tags to items like livestock or equipment, information can be read remotely without requiring direct physical contact or line-of-sight. This technology is widely used in agriculture for tracking assets and monitoring animal health, providing a reliable method for automated, contactless data collection.

13. (A) Bharat Interface for money (BHIM) incentive schemes
To promote the adoption of digital payments in rural areas, various incentive schemes have been introduced through NABARD. The Bharat Interface for Money incentive schemes specifically target individuals and merchants to encourage electronic transactions. These initiatives aim to reduce reliance on cash, enhance financial transparency, and integrate rural economies into the formal digital financial system, facilitating easier access to banking.

14. (C) Using information interpretation to automate complex decision-making processes
While traditional automation relies on predefined triggers to perform repetitive tasks, Artificial Intelligence introduces a higher level of sophistication. AI utilizes information interpretation to automate complex decision-making processes by learning from past and current data patterns. This enables machines to adapt to changing environments and provide more reliable predictions, which is essential for modernizing agricultural activities and optimizing resource management.

15. (D) RBI gateway links enabling seamless credit of benefits into accounts
The implementation of Direct Benefit Transfer in Rural Cooperative Banks is facilitated through advanced technical linkages. RBI gateway links enable the seamless credit of government benefits and subsidies directly into the beneficiaries' bank accounts. This system ensures that funds reach the intended recipients efficiently and transparently, reducing delays and eliminating intermediaries. It strengthens the financial inclusion of rural populations through modernization.

16. (A) Maps multiple datasets tied to specific spatial locations
A Geographic Information System is a powerful tool used to store, analyze, and display spatial data. It functions by mapping multiple datasets that are tied to specific geographical locations. In agriculture, GIS enables the visualization of varied information like soil quality, crop health, and topography. This integrated approach allows

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(B) Using multi-date high-resolution satellite data integrated into a GIS
(C) The implementation of automated smart contracts via a regional Blockchain
(D) The manual distribution of paper-based Soil Health Cards to every farm holder

May/June 2023

104. The following questions consist of two statements—an Assertion (A) and a Reason (R). Answer the questions by selecting the appropriate option.
Assertion (A): The SVAMITVA scheme demarcates rural abadi areas strictly using manual chain-link surveys conducted over a period of ten years.
Reason (R): The Survey of India works as the technology partner to provide integrated property validation solutions.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2008

105. A weak Rural Cooperative Bank (RCB) previously operated on standalone desktop computers, delaying check clearances and DBT credits. Support was provided to upgrade their system, enabling digital banking services and real-time integration with NEFT.
What fundamental platform did the RCB migrate to?
(A) A localized Blockchain Ledger
(B) A Decentralized Finance (DeFi) App
(C) Core Banking System (CBS)
(D) A standalone GIS database

May/June 2005

106. Plans have been proposed for utilizing sensors connected to mobile apps to provide information to farmers. Which combination of information provisions was included?
I Soil composition of soil components in the fields
II Water level / moisture content
III Acidity / pH content in the soil
IV Status of growth of crop
V Possibilities of severe weather change
(A) (I), (II), and (III) only
(B) (II), (III), (IV), and (V) only
(C) (I), (III), (IV), and (V) only
(D) (I), (II), (III), (IV), and (V)

Oct/Nov 2024

107. A rural bank manager is processing an agricultural loan application. Historically, the manager had to physically verify deed records to ensure the land wasn't already pledged to another bank. Under the Digital India Land Record Modernization Program, how does the manager verify this instantly?
(A) Accessing digitized records where online charges ensure transparency
(B) Asking the village head for a notarized written character certificate
(C) Deploying a drone to take high-resolution aerial photos of the land
(D) Checking the farmer's Soil Health Card via an online government portal

May/June 2017

108. The following questions consist of two statements—an Assertion (A) and a Reason (R). Answer the questions by selecting the appropriate option.
Assertion (A): Harnessing big data for weather-index based insurance and credit programs is a viable proposition to manage risks.
Reason (R): Compiling long-standing data in a comprehensive manner unearths previously hidden patterns and provides correlation between perceived disjointed activities.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2010

109. A state government deploys a conversational virtual assistant that can understand natural language and interact with users. When a farmer asks the assistant about a pest infestation in the local dialect, it analyzes weather data, soil types, and year-to-year outcomes to give a personalized recommendation.

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25. (B) Allowing property use as financial assets for loans and benefits
The SVAMITVA scheme is a reformative initiative that establishes clear property ownership in rural areas through drone-based mapping. This empowers rural household owners by allowing them to use their property as financial assets for securing loans and other benefits. By providing legal ownership cards, the scheme enhances financial stability and reduces disputes, enabling villagers to participate fully in the economy.

26. (D) A district-level agency managing technology adoption and research-extension links
The Agricultural Technology Management Agency is a district-level body responsible for the management of agricultural technology. It serves as a vital link between research institutions, extension services, and the farming community. By facilitating technology adoption and conducting localized research, ATMA ensures that farmers have access to the latest innovations and best practices, thereby promoting sustainable growth and improved livelihoods.

27. (A) The Revenue Department / Land Records Department
The implementation of the SVAMITVA scheme involves multiple government entities to ensure accurate land records and property validation. At the state level, the Revenue Department or Land Records Department serves as the nodal agency for the project. These departments coordinate ground-level activities, manage resulting data, and oversee the issuance of legal ownership cards to property owners in rural areas.

28. (A) 18001801551
Farmers can access expert agricultural advice by contacting the Kisan Call Centre through a dedicated communication channel. The toll-free number allotted for this service across the country is 18001801551. By calling this number, farmers can receive real-time information on soil health, crop management, and weather conditions in their local language, which helps them make better-informed decisions for farm operations.

29. (C) Providing soil health status information for optimal resource allocation
The universal soil health card scheme is a major government initiative designed to optimize resource use in agriculture. It provides farmers with detailed information regarding the nutrient status of their soil. This status information allows for the precise allocation of fertilizers and other inputs, ensuring that crops receive exactly what they need for optimal growth. This scientific approach helps fertility.

30. (D) Public extension centers, Krishi Vigyan Kendras, and district ATMA units
To effectively diffuse advanced knowledge and artificial intelligence applications among the farming community, specific organizations serve as focal points. Public extension centers, Krishi Vigyan Kendras, and district-level Agricultural Technology Management Agency units are well-positioned as nerve centres. These entities bridge the gap between scientific research and practical application, providing farmers with the necessary support to adopt new technologies.

31. (C) Under this initiative, exactly 140.9 lakh SHGs were onboarded covering 12.3 lakh members.
The e-Shakti project aims to digitize Self-Help Groups to improve their linkage with the formal banking system. While the project standardizes books of accounts and brings transparency, the statement claiming exactly 140.9 lakh SHGs were onboarded is incorrect. The initiative focuses on capturing demographic and financial profiles to assist institutions in making informed lending decisions for these rural groups.

32. (B) Re-establishing the presumptive title system
The Digital India Land Record Modernization Program introduces several features to create a transparent and efficient land management system. This includes automated mutations, conclusive titling with guarantees, and the integration of textual and spatial records. However, re-establishing the presumptive title system is not a feature of this program; instead, it seeks to replace that old system with conclusive titling.

33. (B) Applications based on AI require small amounts of basic data to properly train the algorithms.
Artificial Intelligence relies on sophisticated algorithms that process vast datasets to identify patterns and make predictions. A common misconception is that AI requires only small

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Oct/Nov 2019

115. On a high-tech farm, a soil moisture sensor detects extreme dryness. Instead of sounding an alarm for a human operator, the sensor digitally signals an automated water pump, which interacts with a drone overhead to identify exactly which patch of the field needs immediate irrigation.
This scenario best demonstrates:
(A) Intensive subsistence farming practices that rely on high human labor inputs
(B) Pastoral nomadism where livestock are moved across regions for grazing land
(C) Traditional farming practices augmented by central physical assembly points
(D) Digital technologies allowing machine systems to coordinate farm activities

May/June 2012

116. The IoT driven technology is applicable across the whole agri-value chain. Which combination represents operations covered under IoT technology?
I Irrigating land (irrigation automation)
II Watering plants and weeding by robotics
III Cultivating land by automatic tractor
IV Applications for detecting synthetic impurities and pesticide residue in produce
V Intrusion monitoring of animals in farms or monitoring cattle in open pasture
(A) (I), (II), and (III) only
(B) (II), (III), (IV), and (V) only
(C) (I), (III), (IV), and (V) only
(D) (I), (II), (III), (IV), and (V)

Oct/Nov 2025

117. A villager residing in an inhabited (abadi) area historically lacked legal documents to prove ownership of their house, making it impossible to secure a bank loan. Following a recent scheme where drones mapped the land parcels, the villager received a legal ownership card.
This scenario is a direct result of which scheme?
(A) National e-Governance Plan - Agriculture (NeGP-A)
(B) eNAM implementation
(C) SENSAGRI Project
(D) SVAMITVA Scheme

May/June 2007

118. The following questions consist of two statements—an Assertion (A) and a Reason (R). Answer the questions by selecting the appropriate option.
Assertion (A): Blockchain technology used jointly with smart contracts in agriculture ensures delayed and manual payments between stakeholders.
Reason (R): Smart contracts allow timely payments that can be triggered by data changes appearing in the blockchain.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2013

119. A seed corporation wants to ensure that the high-yield planting material it dispatches to farmers is not tampered with or replaced with inferior seeds during transit. They decide to keep a record of high-resolution images of the material at every transit point until consumption at the farm level, ensuring the record cannot be altered.
Which technology provides this immutable record-keeping system?
(A) Blockchain Technology
(B) Geographic Information System (GIS)
(C) Hyperspectral Remote Sensing (HRS)
(D) National Animal Disease Reporting System (NADRS)

May/June 2018

120. The following questions consist of two statements—an Assertion (A) and a Reason (R). Answer the questions by selecting the appropriate option.
Assertion (A): Recognizing micro-ATMs as ATMs for RCBs under the NABARD initiative eliminated the additional expense of an intermediary financial inclusion server.
Reason (R): NABARD restricted RCBs from utilizing the RBI's RTGS or NEFT payment gateways to cut connectivity costs.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation

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of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2017

121. A large-scale agricultural company decides to invest in drone technology to gain a competitive advantage.
According to documented use cases, the company can deploy these drones throughout the crop cycle for all the following operations, EXCEPT:
(A) Planting and crop spraying
(B) Crop monitoring and irrigation
(C) Soil and field analysis
(D) Automated genetic mutation of seed RNA

May/June 2020

122. An agronomist advises a farmer to adopt a method that maintains soil fertility by optimizing the benefits from all possible sources of organic, inorganic, and biological components in an integrated manner.
This practice is defined as:
(A) Shifting cultivation
(B) Data Virtualization
(C) Integrated Nutrient Management (INM)
(D) Hydroponic isolation

Oct/Nov 2022

123. A dairy farm implements a system where each cow is fitted with a tag. When the cow walks past a reader at the milking station, a wireless communication coupling in the electromagnetic spectrum uniquely identifies the animal without physical contact.
What is the specific technology being utilized?
(A) A Geographical Information System used for mapping the farm's grazing area
(B) Hyperspectral Remote Sensing used for detecting variations in pasture quality
(C) Using Radio Frequency Identification to uniquely identify the animal
(D) A Decision Supporting System that analyzes livestock health metrics

May/June 2009

124. During a coastal research expedition, marine biologists use a specific mapping technique moving beyond traditional sonar to identify productive zones by tracking upwelling and chlorophyll distribution.
Which technique are they relying on?
(A) Ocean temperature maps obtained through remote sensing technology
(B) Radio Frequency Identification (RFID) used for tracking marine equipment
(C) Alternate wetting and drying IoT nodes installed in coastal rice paddies
(D) Blockchain Smart Contracts for managing international deep-sea fishing rights

Oct/Nov 2011

125. A farmer struggling with a sudden outbreak of a plant disease dials a toll-free number (18001801551) from a mobile phone. An agent responds in the farmer's local language, providing specific advice.
What is the official designation of the agent handling this query at the Kisan Call Centre?
(A) Agricultural Extension Officer (AEO)
(B) Farm Tele Advisor (FTA)
(C) Bank Sakhi
(D) Data Virtualization Specialist

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ANSWERS

1. (D) 138.5 million
The Agricultural Census provides a comprehensive overview of the land distribution and operational holdings in India. By documenting approximately 138.5 million holdings, it offers vital data for policy formulation and resource allocation. This massive volume of information exemplifies the big data challenges and opportunities inherent in managing the country's vast and diverse agricultural landscape effectively.

2. (C) Both structured and unstructured data
Data science is an interdisciplinary field that extracts knowledge from diverse data sources. It conceptually processes both structured data, which fits into traditional databases, and unstructured data, like images or text. This ability allows for more sophisticated analysis in agriculture, combining numerical records with complex inputs like satellite imagery to derive actionable insights for farmers and researchers.

3. (C) Interconnected computing devices in objects that exchange data via internet
The Internet of Things in agriculture involves a network of objects embedded with sensors and software. These interconnected computing devices communicate and exchange information over the internet without requiring direct human interaction. This technology enables real-time monitoring of environmental conditions, automation of farm equipment, and enhanced data collection, leading to more efficient and precise management of agricultural resources.

4. (C) A prototype for drone-based monitoring using hyperspectral sensors
SENSAGRI is a significant collaborative research initiative involving several major Indian institutes. It focuses on developing a prototype for monitoring crop and soil health through drone technology. By utilizing hyperspectral sensors, the project aims to provide detailed spectral data. This enables precise assessment of field conditions, helping in the early detection of diseases and optimization of agricultural inputs.

5. (B) Identifying productive coastal zones and surface-swimming fish shoals
Remote sensing technology has evolved to provide detailed ocean temperature maps, which are crucial for the fisheries sector. These maps track upwelling and chlorophyll distribution, indicating nutrient-rich waters. This information helps in identifying productive coastal zones and locating surface-swimming fish shoals. Consequently, fishermen can optimize their operations, reduce scouting time, and improve the overall efficiency of maritime harvesting.

6. (B) Support for regulatory needs like C-KYC and Aadhaar User Agency
Rural Cooperative Banks and Regional Rural Banks receive specialized support to meet modern regulatory and digital requirements. This assistance includes implementing Centralized Know Your Customer procedures and establishing Aadhaar User Agency frameworks. Such measures are essential for ensuring compliance with national banking standards and facilitating secure financial services. This support helps integrate rural financial institutions into the broader digital ecosystem.

7. (B) Comparing spectral analysis against a cloud-based database
Modern soil analysis can be performed rapidly using digital spectrograms, bypassing the need for physical lab transmission. This process relies on comparing a spectral image of the soil sample against an extensive cloud-based database. By analyzing the light reflected from the soil, the system identifies nutrient levels instantly. This approach provides farmers with immediate, actionable data for optimizing fertilizer usage.

8. (B) Communication gaps caused by a lack of real-time information delivery
The National e-Governance Plan for Agriculture is designed to streamline the delivery of services through an integrated approach. Its primary goal is to bridge communication gaps caused by the lack of real-time information delivery to the farming community. By leveraging information

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This tool is best described as an application of:
(A) The implementation of Blockchain systems and automated Smart Contracts
(B) The utilization of GPS and Radio Frequency Identification (RFID) tags
(C) The application of Agmarknet and conventional Data Virtualization tools
(D) Cognitive technologies and AI-powered machine learning techniques

May/June 2013

110. The following questions consist of two statements—an Assertion (A) and a Reason (R). Answer the questions by selecting the appropriate option.
Assertion (A): The eNAM portal assists farmers and traders in achieving better price discovery for agricultural commodities.
Reason (R): eNAM is an online trading platform that provides facilities for the smooth marketing of produce across a broader market base.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2021

111. A micro-finance institution wants to lend to a prominent SHG but struggles to verify their financial history because their paper ledgers are messy and irregular. To resolve this, the SHG is onboarded onto a digital ecosystem that standardizes their books of accounts and captures their demographic profiles.
Which project makes this transparency possible?
(A) Bharat Interface for money (BHIM)
(B) National e-Governance Plan
(C) SmartFarming4AP
(D) e-Shakti Project

May/June 2016

112. The following questions consist of two statements—an Assertion (A) and a Reason (R). Answer the questions by selecting the appropriate option.
Assertion (A): The universal soil health card scheme allows a farmer to assess soil health without transmitting the physical soil to a lab.
Reason (R): Soil health can be diagnosed by taking a spectral image of a soil sample and comparing its digital spectrogram against a large database in the cloud.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2006

113. The following questions consist of two statements—an Assertion (A) and a Reason (R). Answer the questions by selecting the appropriate option.
Assertion (A): In 2013, the Information Technology Research Academy (ITRA) identified robotics and interpretation of sensor data as key research areas.
Reason (R): ITRA was set up by the Ministry of Electronics and Information Technology in consultation with the Indian Council of Agricultural Research (ICAR).
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2024

114. A group of partner institutes collaborate to develop an indigenous prototype for a drone-based crop and soil health monitoring system. To achieve this, they need sensors capable of providing detailed spectral information on a spatial basis.
Which sensor technology are they integrating under the SENSAGRI project?
(A) Near Field Communication (NFC) sensors
(B) Hyperspectral Remote Sensing (HRS) sensors
(C) Simple visible-light camera lenses
(D) Radio Frequency Identification (RFID) tags

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researchers and farmers to make informed decisions based on complex spatial relationships.

17. (A) Spatial monitoring that aids water conservation and lowers carbon footprints
Utilizing advanced technology at the state and national levels offers significant environmental and economic advantages. Spatial monitoring systems aid in water conservation efforts and help in lowering the overall carbon footprint of agricultural activities. By providing detailed data on resource usage and environmental conditions, these technologies support sustainable farming practices and enable more effective management of natural resources across large territories.

18. (A) By Kevin Ashton in the year 1999
The concept of the Internet of Things was first introduced to describe a system where physical objects are connected to the internet. This term was coined by Kevin Ashton in 1999 during his work at Procter and Gamble. Since then, IoT has expanded into various sectors, including agriculture, where it facilitates the interconnection of devices to improve productivity.

19. (D) It imitates the way that humans learn, gradually improving its accuracy
Machine Learning is a specialized field within artificial intelligence that centers on the development of algorithms and data analysis. Its core mechanism involves imitating the way that humans learn by processing information and gradually improving its own accuracy over time. In agriculture, this allows for better prediction of crop yields, pest outbreaks, and soil health by identifying complex patterns.

20. (A) Automated sorting and grading using synthetic impurity detection
The application of Internet of Things technology spans the entire agricultural value chain, including post-harvest processes. One specific IoT-based operation related to the readiness of crops is automated sorting and grading using synthetic impurity detection. This technology ensures that produce meets quality standards by identifying contaminants or defects through sensors and imaging, thereby improving the value of agricultural products.

21. (C) It is an information system that supports business or organizational decision-making activities.
A Decision Supporting System is an integrated information system designed to assist in complex business or organizational decision-making activities. In the agricultural context, these systems analyze various data points, such as weather patterns, market trends, and soil conditions, to provide actionable advice to farmers. By synthesizing large amounts of information, DSS helps in optimizing farm management and enhancing efficiency.

22. (B) A little less than half of agriculture
Irrigation plays a critical role in global agricultural productivity, yet a significant portion of land still depends on natural rainfall. Currently, it is estimated that a little less than half of agriculture is practiced under irrigated conditions. This distribution highlights the ongoing need for improved water management technologies and the importance of enhancing productivity in rainfed areas to ensure security.

23. (D) Value System
In developed and emerging economies, the modernization of farming has transformed traditional practices into highly sophisticated operations. Agriculture is increasingly described as a Value System, reflecting a shift toward integrated supply chains and technology-driven management. This perspective emphasizes the importance of data, efficiency, and market connectivity in modern farming, moving beyond simple subsistence models to a more enterprise-oriented approach.

24. (D) The network of devices, dashboards, and storage enabling IoT connectivity
The Internet of Things ecosystem in agriculture represents a comprehensive framework of connected technologies. This includes the network of physical devices, digital dashboards, and cloud storage systems that enable seamless connectivity and data exchange. By integrating sensors and communication tools, this ecosystem allows for real-time monitoring and control of farm operations, facilitating data-driven decision-making and improving productivity in the field.

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the data parameters relevant to agricultural technology?

I Temperature, vibration, and force
II Pressure, weight, and sound
III Acceleration, tilt, and angle
IV Optical, ambient light, and electric properties
V Magnetic, flow, and velocity

(A) (I), (II), (III), and (V) only
(B) (II), (III), (IV), and (V) only
(C) (I), (II), (IV), and (V) only
(D) (I), (II), (III), (IV), and (V)

May/June 2008

98. Ramesh, a farmer, takes a spectral image of a soil sample using a handheld device rather than packaging the soil and sending it via post to a lab. Within minutes, he receives a detailed analysis of the soil's nutrient composition on his smartphone.

Which underlying technological process enables this rapid turnaround?

(A) Comparing the digital spectrogram against a large cloud-based database
(B) The physical transportation of the soil by an automated drone to a local KVK
(C) The device applying chemical reagents that display results on an analog meter
(D) A manual comparison of the photo by an extension officer over a messaging app

Oct/Nov 2016

99. To prepare for potential food shortages, the government tasks an organization with conducting seasonal cropping pattern analysis and experiments on yield estimation over a large net-sown area.

According to national initiatives, which specific centre manages this aerial and satellite data?

(A) Information Technology Research Academy (ITRA)
(B) National Remote Sensing Centre (NRSC)
(C) Krishi Vigyan Kendra (KVK)
(D) Directorate of Marketing & Inspection

May/June 2022

100. The following questions consist of two statements—an Assertion (A) and a Reason (R). Answer the questions by selecting the appropriate option.

Assertion (A): Artificial Intelligence can offer more reliable predictions to be used as a basis for planning and control of all agricultural activities.

Reason (R): AI relies exclusively on manual paper-based logs that eliminate the need for large data warehousing or automation.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2005

101. A trader wants to cross-check the price trends of agricultural commodities across multiple daily mandis to negotiate better. Instead of calling each mandi, the trader logs into an online portal designed to provide profiles of each mandi and daily prices.

Which portal is the trader using?

(A) Agmarknet
(B) KrishiSuchak
(C) NADRS
(D) SatSure

May/June 2011

102. Big Data Analytics gets its penetration by adopting various technologies and methods. Which combination correctly lists these?

I Social Computing
II Internet of Things (IoT)
III Data Virtualization
IV Statistical Methods and Machine Learning
V Data Mining Algorithms and Information Visualization Tools

(A) (I), (II), (III), and (IV) only
(B) (II), (III), (IV), and (V) only
(C) (I), (III), (IV), and (V) only
(D) (I), (II), (III), (IV), and (V)

Oct/Nov 2014

103. A District Agricultural Officer needs to assess the crop health condition of wheat across 500 villages during the early growing season. To do this efficiently without visiting every farm, the officer utilizes vegetation index computations.

What specific technology makes this district-wise assessment possible?

(A) The physical installation of alternate wetting and drying nodes in every field

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amounts of basic data for training. In reality, these algorithms need large-scale data warehousing to learn effectively and improve their accuracy. Large-scale data is essential for AI to offer reliable insights for agricultural activities.

34. (D) Reaching out to farmers easily and facilitating monitored policy decisions
The Ministry of Agriculture and Farmers' Welfare uses a comprehensive ICT strategy to modernize the sector. This strategy focuses on reaching out to farmers easily through various digital channels and facilitating monitored policy decisions. By providing timely information and data-driven insights, the government aims to support farmers in making better choices, ultimately improving productivity and ensuring effective welfare implementation.

35. (A) Modifying the genetic sequence of newly discovered crop varieties in a laboratory.
Geographic Information Systems are essential for mapping and analyzing spatial data in modern agriculture. These tools help in depicting crop acreage, production trends, and disease outbreaks while maintaining comprehensive geo-databases of farmers. However, modifying the genetic sequence of crop varieties in a laboratory is a biotechnological process and is not a function typically supported by GIS spatial analytics tools.

36. (A) Following a customer-centric approach focusing on livelihoods and digital banking through BC channels.
Achieving holistic financial inclusion in rural areas requires addressing existing gaps in account ownership and usage. The suggested approach involves a customer-centric model that focuses on livelihoods and leverages digital banking through Business Correspondent channels. By bringing banking services closer to the community and increasing financial awareness, this strategy ensures that unbanked households can access credit and essential products.

37. (A) Digital technologies strictly prohibit machine systems from interacting and coordinating their activities.
Digital technology plays a transformative role in agriculture by facilitating the coordination of complex activities. The claim that digital technologies strictly prohibit machine systems from interacting and coordinating is incorrect. In fact, these technologies allow physical equipment like drones and tractors to signal each other and synchronize their operations. This interconnection is vital for the development of smart farming.

38. (D) Providing a conclusive guarantee of minimum crop yields for the village
The SVAMITVA scheme is designed to empower rural residents by clarifying property ownership through advanced mapping technology. It facilitates the monetization of properties as financial assets, reduces property disputes, and enables better village-level planning. However, the scheme does not provide a conclusive guarantee of minimum crop yields, as its primary focus is on land record modernization and legal property rights.

39. (D) Analyzing diverse information like weather and soil to maximize output
Cognitive technologies and machine learning offer significant advantages by processing large volumes of complex information. In agriculture, these tools analyze diverse datasets, including weather patterns, soil conditions, and market trends, to maximize output and efficiency. By providing personalized recommendations and predictive insights, machine learning helps farmers overcome traditional challenges and make more informed decisions throughout the entire cultivation cycle.

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40. (D) It isolates each village's disease reports, strictly preventing linkage to district and state headquarters.
The National Animal Disease Reporting System is a computerized program designed to streamline the reporting of livestock diseases across India. It links village-level reports to district and state headquarters to ensure timely monitoring and intervention. The statement that it isolates each village's disease reports and prevents linkage is incorrect; its main purpose is to create an integrated network.

41. (B) (II), (I), (IV), (III)
Several technological milestones have shaped modern agriculture in India. Chronologically, the coining of the term "Internet of Things" occurred in 1999. This was followed by the Information

Technology Research Academy identifying robotics and sensors as research areas in 2013. More recently, the SVAMITVA scheme was launched in 2020, and the Digital Agriculture Mission was initiated for the 2021-2025 period.

42. (C) Government restrictions limiting partnerships solely to public sector units
The Digital Agriculture Mission involves partnerships with various private sector entities like Cisco, Ninjacart, and ITC to pilot technological projects. These collaborations aim to harness data for agricultural development and implement new technologies like AI and blockchain. The statement that government restrictions limit partnerships solely to public sector units is incorrect, as the mission actively encourages participation from private organizations.

43. (B) Tier 3 to Tier 6 centres
To enhance digital payment infrastructure in rural areas, Point of Sale and mobile PoS terminals are being deployed in approximately one lakh villages. This initiative specifically targets Tier 3 to Tier 6 centres, which are primarily smaller towns and rural locations. By providing these terminals, the government aims to facilitate electronic transactions and improve the accessibility of financial services.

44. (D) Mechanical specifications for manufacturing internal combustion tractor engines
Cognitive technologies analyze and correlate vast amounts of data from satellites and drones to improve agricultural outcomes. This includes identifying soil types, assessing disease probabilities, and analyzing market trends. However, the mechanical specifications for manufacturing internal combustion tractor engines are engineering details and are not part of the environmental or market information analyzed by these cognitive systems during farming operations.

45. (C) Doubling the Farmers Income by 2022
The Government of India has launched several initiatives aimed at improving the economic status of the farming community. A key objective stated for these programs is to focus on doubling the Farmers' Income by the year 2022. By integrating modern technology, improving market access, and enhancing productivity, the government strives to yield comprehensive socioeconomic benefits and ensure long-term prosperity.

46. (B) Big Data Analytics has already reached its absolute peak development stage in India, requiring no further technological penetration.
Big Data Analytics in agriculture is driven by government schemes like AGMARKNET and NADRS to manage risks and improve productivity. It is useful for tasks like weather-index based insurance. However, the statement that Big Data Analytics has already reached its absolute peak development stage in India is incorrect, as there is significant room for further management improvement in this field.

47. (B) Enabling farmers to develop plans independently using data-driven insights
The application of IoT technology in agriculture serves as a catalyst for social change in rural communities. By providing data-driven insights and real-time information, it enables farmers to develop and execute their own plans independently. This reduces their total reliance on state extension machinery for every decision, empowering them to take control of their farm management through modernization.

48. (B) Applying agricultural research in theoretical settings without practical use
Krishi Vigyan Kendras are agricultural extension centers that act as a crucial link between research organizations like ICAR and individual farmers. They apply research in practical settings to solve local farming issues. The statement that KVKs apply research only in theoretical settings without practical use is incorrect, as their primary role is the hands-on demonstration and dissemination of technology.

49. (A) Deep ocean oil drilling mechanics
In 2013, the Information Technology Research Academy identified several key research areas to advance the application of IT and electronics in agriculture. These areas included robotics, sensors, and the interpretation and use of sensor data. However, deep ocean oil drilling mechanics was not identified as a primary research area in this context, as ITRA's focus remained on agricultural advancements.

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50. (C) National e-Governance Plan for Urban Traffic Control
The need for Big Data Analytics in the agricultural sector is driven by various government initiatives that collect vast amounts of information. Key drivers include the AGMARKNET/e-NAM portals, the National Animal Disease Reporting System, and the Kisan Call Centre database. Conversely, the National e-Governance Plan for Urban Traffic Control is not a scheme that drives Big Data needs within agriculture.

51. (D) To enable smallholders to reach out to agricultural scientists for advice via a digital interface.
The KrishiSuchak application is a digital solution designed to support smallholder farmers in their farm development efforts. Its primary aim is to provide a digital interface through which farmers can reach out to agricultural scientists for expert advice. By bridging the gap between scientific knowledge and field application, the app helps farmers solve specific problems and adopt more efficient practices.

52. (D) Dual authentication is explicitly prohibited at BC points to ensure faster, unsecured transactions.
The Bank Sakhi model involves coopting Self-Help Group members as Business Correspondent Agents to provide dependable banking services in rural areas. This model utilizes micro-ATMs to facilitate transactions close to the community. The statement that dual authentication is explicitly prohibited at BC points is incorrect; in fact, secure authentication processes are fundamental to ensuring the integrity of digital transactions.

53. (C) Mandatory physical assembly for market operations to ensure transparency
Digital transformation in agriculture leads to significant shifts, such as moving from radio to mobile information dissemination and providing remote access to expert knowledge. These changes reduce cultivation costs and enhance sustainability. However, mandatory physical assembly for market operations is not an outcome of this transformation; rather, technology promotes online trading platforms like eNAM to reduce the need for presence.

54. (C) Validating material authenticity and providing source-to-point traceability
Blockchain technology provides a decentralized and immutable ledger that is highly beneficial for agricultural supply chains. Its primary advantage in this context is validating the authenticity of materials and providing comprehensive source-to-point traceability. This ensures that the provenance of food is clear, improving safety and building trust. It allows every participant to verify the integrity of inputs and produce effectively.

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55. (D) Mandating RCBs to permanently discontinue their existing NEFT memberships
Recognizing micro-ATMs as ATMs for Rural Cooperative Banks helped eliminate the need for intermediary financial inclusion servers and improved the efficiency of Direct Benefit Transfers. This move allowed rural touchpoints to serve as effective channels for receiving government benefits. However, it did not mandate that RCBs permanently discontinue their existing NEFT memberships; rather, it enhanced their connectivity to payment gateways.

56. (A) Drone-powered solutions projected to value under USD 1 billion
The adoption of IoT in global agriculture is progressing rapidly, with the United States currently leading in device installations. While Aero Farms operates large vertical farm systems, the statement that drone-powered solutions are projected to value under one billion USD is incorrect. The valuation of drone technology in the agricultural sector is expected to be significantly higher due to diverse applications.

57. (A) Linking to RBI payment gateways and micro-ATM rural touch points
The migration to Core Banking Systems has been crucial for Rural Cooperative Banks to facilitate modern financial services. This technical platform enables seamless credit of Direct Benefit Transfers by linking the banks to RBI payment gateways like RTGS and NEFT. Combined with micro-ATM rural touchpoints, these linkages ensure that government benefits reach farmers' accounts efficiently and accessed easily.

58. (A) Setting the minimum support prices for agricultural commodities at mandis
The National Remote Sensing Centre is a key component of the Indian Space Research Organization, managing data from aerial and satellite sources. It conducts important studies on cropping patterns and drought assessment. However, the claim that NRSC sets minimum support prices for agricultural commodities is incorrect, as that function is handled by specific government commissions and not a space center.

59. (C) Assessing soil moisture to control water flow and nutrient dosage
Advanced sensors are becoming integral to both rainfed and irrigated agriculture, especially within protected cultivation systems. The primary function of these specialized sensors is to assess environmental factors like soil moisture and temperature. This data allows for the precise control of water flow and nutrient dosage through automated systems. By optimizing these inputs, sensors help in maximizing crop yields while conserving resources.

60. (B) Cryptographic hash generator for fiat currency minting
IoT technology in agriculture includes various devices like mobile-based pump-set controllers, water quality meters, and specialized apps for sowing or harvesting. These tools help in automating tasks and monitoring environmental conditions. However, a cryptographic hash generator for fiat currency minting is not a common IoT device used in agriculture; its application is instead found in the financial and digital currency sectors.

61. (B) P-3, Q-1, R-2, S-4
Agmarknet is a portal providing daily mandi prices and price trends for various agricultural commodities. Artificial intelligence refers to machine-demonstrated intelligence used for complex analysis. ATMA is a district-level outfit focused on research, extension, and farmer linkage. Blockchain is a technology that enables traceability of information to improve food safety. Together, these tools represent the integration of technology into modern management.

62. (C) Both (I) and (II)
Migration to Core Banking System platforms is essential for rural financial institutions to offer digital services in remote areas. This modernization allows for better integration with national payment gateways and efficient delivery of services. Support has been specifically extended to weak Regional Rural Banks and Rural Cooperative Banks to implement CBS, ensuring that all rural areas benefit from modern infrastructure.

63. (B) P-2, Q-4, R-3, S-1
Geographical Information Systems integrate multiple datasets tied to spatial locations for detailed mapping. Big Data Analytics penetrates the sector through social computing and machine learning techniques. Artificial intelligence incorporates learning from past data to support complex decision-making. Blockchain technology functions as a shared ledger of accounts written and stored by all participants. These technologies collectively enhance the efficiency of agriculture.

64. (A) (I) and (II) only
To address poor telecom connectivity in remote rural locations, the government has supported several technical solutions. These include the deployment of solar-powered VSATs and the use of mobile signal boosters. These tools are particularly important for fixed customer service points and areas with intermittent signals. They ensure that essential digital services, such as banking and information delivery, remain accessible.

65. (A) Machine Learning - Imitating the way humans learn, gradually improving accuracy using data and algorithms
Machine Learning is a conceptual approach in computer science that focuses on using data and algorithms to improve performance. Its core operational mechanism involves imitating the way humans learn, which allows the system to gradually improve its accuracy over time. This technology is increasingly applied in agriculture for tasks like predicting crop yields and optimizing resource use based on patterns.

66. (A) (I), (II), and (III) only
The SVAMITVA scheme, launched in April 2020 by the Ministry of Panchayati Raj, aims to clarify

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property ownership in rural areas. It utilizes drone technology to map land parcels and provides a 'Record of Rights' through legal ownership cards. While it involves state revenue departments, it is a comprehensive national initiative designed to reduce disputes and empower villagers by documenting their assets.

67. (A) (II), (I), (IV), (III)
Blockchain technology ensures transparency by recording every stage of the agricultural supply chain in an immutable ledger. The chronological flow begins with validating the authenticity of planting materials or inputs. This is followed by confirming good agricultural practices at the farm level. Next, the system builds traceability for the produce during transport, finally ending with data recorded at the point of consumption.

68. (C) Both (I) and (II)
Digital technologies enhance the relevance of agricultural equipment by allowing different machines to communicate with one another. For example, drones, spray machines, and tractors can signal each other to coordinate their activities in a logical fashion. This interaction enables more precise and efficient farm operations, as machines can share data and respond to field conditions synchronously, representing modern farming.

69. (D) (I), (II), and (III)
Blockchain technology offers multiple benefits across the agricultural sector, from production to payment. It is used to confirm good agricultural practices and build comprehensive traceability from farm to fork. Additionally, it helps in validating resource use efficiencies. By providing a transparent and immutable record, blockchain also assists in preventing price extortion and ensuring that payments to stakeholders are not delayed.

70. (A) P-3, Q-4, R-1, S-2
IARI is India's premier national institute for agricultural research, education, and extension. ITRA is a national program aimed at building resources for research and development in IT and electronics. Integrated Nutrient Management focuses on maintaining soil fertility through optimized plant nutrient supply. Krishi Vigyan Kendras are district-level extension centers. These organizations and concepts are fundamental to agricultural progress.

71. (D) (I), (II), (III), and (IV)
The Kisan Call Centre database is a nationwide initiative operating from 21 different locations. It utilizes a common toll-free number to provide farmers with expert advice. Queries are handled by Farm Tele Advisors, who are graduates in agriculture or allied sectors, and responses are provided in 22 local languages. This ensures that relevant information reaches farmers effectively regardless of their location.

72. (A) P-4, Q-3, R-2, S-1
NRSC conducts experiments on seasonal cropping patterns and yield estimation using satellite data. ITRA identified research areas in robotics and sensors back in 2013. IARI formulated the collaborative "SENSAGRI" project for drone-based monitoring. KVKs and ATMA units act as nerve centres for knowledge diffusion and AI applications among farmers. These entities collectively drive the technological and research advancements.

73. (C) Both (I) and (II)
Proposed ICT initiatives in agriculture include connecting field-level devices with district weather departments to provide severe weather alerts. Additionally, ontology-based Content Delivery Network systems are planned to assist sensors in capturing and analyzing data. These systems use standard datasets for specific crop domains to analyze data dynamically, ensuring that the information provided to farmers is accurate and contextually relevant.

74. (C) SmartFarming4AP - Developed by the Government of Andhra Pradesh with Bill & Melinda Gates Foundation and Dalberg Advisors
Technological solutions in agriculture are often developed through partnerships between governments and international advisors. One such correctly paired example is the SmartFarming4AP project. This initiative was developed by the Government of Andhra Pradesh in collaboration with the Bill and Melinda Gates Foundation and Dalberg Advisors. It focuses on integrating digital tools to enhance farming practices and improve livelihoods.

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products, ultimately helping farmers mitigate climate and financial volatility.

109. (D) Cognitive technologies and AI-powered machine learning techniques
Conversational virtual assistants that interact with users in local dialects are applications of cognitive technologies and AI-powered machine learning. These tools process natural language and analyze complex datasets, such as historical outcomes and soil types, to provide recommendations. By imitating human learning, they offer farmers accessible and intelligent support, helping them manage pest infestations and other challenges more effectively.

110. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The eNAM portal is an essential tool for achieving better price discovery in the agricultural sector. As an online trading platform, it networks existing mandis and facilitates the smooth marketing of produce across a broader, national market base. This transparency and increased competition among buyers ensure that farmers receive fair prices for commodities, fulfilling the portal's primary purpose of modernizing trade.

111. (D) e-Shakti Project
The e-Shakti project is designed to bring transparency and standardization to the financial records of Self-Help Groups. By onboarding these groups onto a digital ecosystem, the project captures demographic and financial profiles accurately. This digitized data allows micro-finance institutions and banks to verify history easily, facilitating more efficient lending and strengthening the overall SHG-bank linkage program in rural areas.

112. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The universal soil health card scheme enables farmers to assess their soil's health without physically sending samples to a laboratory. This is achieved by taking a spectral image of the soil and comparing its digital spectrogram against a massive database in the cloud. This modern approach provides a rapid diagnosis of nutrient levels, allowing for quick and informed soil management decisions.

113. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
In 2013, the Information Technology Research Academy identified key research areas like robotics and sensor data interpretation. While ITRA was indeed established by the Ministry of Electronics and Information Technology, its creation was a broader initiative to build research capacity. Both statements regarding ITRA's activities and origins are true, though they represent distinct aspects of the academy's historical development and focus.

114. (B) Hyperspectral Remote Sensing (HRS) sensors
The SENSAGRI project integrates Hyperspectral Remote Sensing sensors into drone-based monitoring systems. These sensors are essential because they provide highly detailed spectral information on a spatial basis, allowing for a precise diagnosis of crop and soil health. By capturing data across many narrow bands of the light spectrum, this technology can detect subtle changes in plant physiology and soil composition.

115. (D) Digital technologies allowing machine systems to coordinate farm activities
The coordination between a soil moisture sensor, an automated water pump, and an overhead drone exemplifies how digital technologies allow machine systems to work together. This scenario demonstrates the ability of different devices to signal each other and synchronize activities without human intervention. Such interconnected operations are the foundation of smart farming, leading to more efficient resource use and precise management.

116. (D) (I), (II), (III), (IV), and (V)
IoT technology is applied across the entire agricultural value chain, from field operations to post-harvest monitoring. This includes irrigation automation, weeding by robotics, and the use of automatic tractors for cultivation. Furthermore, it covers specialized applications for detecting impurities in produce and monitoring animals in pastures. These diverse operations highlight how connected devices can enhance efficiency and safety at every stage.

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SHG accounts and captures demographic profiles. These FinTech initiatives collectively enhance the efficiency and transparency of finance.

84. (D) (I), (II), and (III)
The partner ecosystem for integrating technology into agriculture is diverse, involving both public and private entities. Major technology firms like Infosys and Tata Consultancy Services play a role in developing digital solutions and infrastructure. Additionally, the Indian Space Research Organization provides critical satellite data and remote sensing capabilities. This collaborative effort ensures that advanced technological tools are effectively applied to challenges.

85. (A) Only (I)
The application of IoT technology offers significant social benefits by empowering farmers to develop and execute their plans independently. By providing data-driven insights, it reduces reliance on traditional state extension machinery. However, the claim that spatial data analysis increases groundwater depletion and carbon footprints is incorrect. In fact, these technologies are designed to aid in water conservation and environmental protection.

86. (A) P-2, Q-3, R-4, S-1
Pond logs are IoT devices used to automate aquaculture and shrimp pond management. Alternate wetting and drying nodes are specialized for irrigation systems. Sorters and graders are used to evaluate and categorize the physical quality and size of produce. Weather gauges measure environmental parameters like wind, humidity, and temperature. Together, these devices provide specific data that helps in optimizing aspects of farming.

87. (D) (I), (II), (III), and (IV)
Managing big data in agriculture presents several complex challenges that must be addressed for effective implementation. These include the difficulty of collecting and collating information from diverse sources and ensuring secure storage. Additionally, determining the rights to the data and performing accurate analysis are critical hurdles. Finally, the processes of querying and transferring large datasets require robust digital infrastructure and clear protocols.

88. (A) P-2, Q-3, R-1, S-4
NADRS is a nationwide program for computerized animal disease reporting. NeGP-A aims to provide an integrated ICT approach for delivering services to farmers. NRSC manages data from aerial and satellite sources to monitor agricultural patterns. SVAMITVA facilitates clear property ownership in rural areas using drone technology. These systems and programs represent the application of technology to modernize various aspects of life.

89. (D) (I), (II), and (III)
To improve agricultural productivity in both rainfed and irrigated conditions, several modern mechanisms are applied. Micro-irrigation and fertigation allow for the precise delivery of water and nutrients directly to plants. Additionally, protected cultivation systems, such as greenhouses, create controlled environments that shield crops from extreme weather. These integrated approaches help farmers optimize resource use and achieve much higher yields.

90. (A) KrishiSuchak - Replaces all physical tractors with autonomous robotic vehicles for large scale tillage
Various technological solutions serve specific roles, like SatSure for insurance and Radio Monsoon for maritime safety. Azure FarmBeats enables a rich ecosystem for sensors and data. However, the claim that KrishiSuchak replaces all physical tractors with autonomous robotic vehicles is incorrect. The app's primary purpose is to provide a digital interface connecting smallholder farmers with agricultural scientists for expert advice.

91. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Early information on crop conditions, acquired through GIS, is vital for effective agricultural decision-making. This allows for timely interventions before issues become critical. Such early-stage data is considered more important than knowing the exact production figures only after the harvest, as it provides the opportunity to manage risks and optimize yields during the growing season. Both statements highlight the value.

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92. (C) Communicating data over a network without human-to-computer interaction
A pond log becomes part of the IoT ecosystem when it functions as an interconnected device that communicates data over a network. The fundamental characteristic of IoT is the ability of objects to exchange information without requiring human-to-computer interaction. By constantly transmitting temperature and oxygen levels to a dashboard, the device provides real-time monitoring and supports data-driven management in aquaculture.

93. (D) (I), (II), (III), (IV), and (V)
Enhancing payment infrastructure involves multiple elements, including the deployment of PoS terminals in rural centers and providing EMV chip-based RuPay Kisan cards. Supporting micro-ATMs in milk societies and other community locations is also crucial. Furthermore, empowering Business Correspondents and Bank Sakhis ensures that banking transactions are accessible. These combined efforts aim to provide comprehensive digital financial services globally.

94. (C) Radio Monsoon
Fishermen can receive timely safety advisories through the Radio Monsoon initiative. This technological solution synthesizes data from multiple scientific agencies, such as INCOIS and NCMRWF, to provide coastal weather information. By delivering these updates in local languages, the service helps fishermen make informed decisions about their safety at sea. It exemplifies how collaborative data can be used to protect livelihoods.

95. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Digitizing land records and allowing banks to create online charges significantly reduces the risk of multiple financing on the same property. This improvement is due to the increased transparency provided by digitized platforms, which make existing encumbrances clearly visible to any financial institution extending credit. By providing a reliable record, this system protects both lenders and borrowers while streamlining agricultural lending.

96. (B) The Bank Sakhi Model
The Bank Sakhi model utilizes trained Self-Help Group members to provide essential banking services within their own villages. Equipped with micro-ATMs, these individuals offer time-flexible and trustworthy assistance to their community. This model reduces the need for villagers to travel long distances to bank branches, thereby increasing the accessibility and usage of formal financial services among rural households.

97. (D) (I), (II), (III), (IV), and (V)
IoT sensors in agriculture can measure a vast array of physical and environmental parameters. This includes mechanical data like vibration and face, as well as ambient conditions like temperature and light. Additionally, sensors track motion through acceleration and tilt, and monitor fluid properties like flow and velocity. Optical and magnetic properties are also recorded, providing a comprehensive data set for management.

98. (A) Comparing the digital spectrogram against a large cloud-based database
Rapid soil analysis is made possible by comparing the digital spectrogram of a sample against a large cloud-based database. When a farmer takes a spectral image, the system analyzes the light patterns to identify nutrient composition instantly. This process eliminates the time-consuming need to transport physical soil to a laboratory. It provides immediate results on a smartphone, allowing for quick fertilization decisions.

99. (B) National Remote Sensing Centre (NRSC)
The National Remote Sensing Centre is the designated organization for managing large-scale aerial and satellite data in India. It plays a critical role in agricultural monitoring by conducting experiments on yield estimation and analyzing seasonal cropping patterns. By processing space-based information, NRSC provides the government and researchers with accurate data needed for food security planning and assessing environmental impacts.

100. (C) Assertion (A) is true, but Reason (R) is false.
Artificial Intelligence provides reliable predictions that form the basis for planning and controlling agricultural activities. However, the claim that AI relies exclusively on manual

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paper-based logs and eliminates the need for data warehousing is incorrect. On the contrary, AI requires sophisticated digital automation and large-scale data storage to process information and learn effectively, ensuring higher operational accuracy.

101. (A) Agmarknet
Traders and farmers can monitor market trends and daily commodity prices through the Agmarknet portal. This online platform provides detailed profiles of various mandis across the country and tracks price fluctuations in real-time. By using this tool, stakeholders can make more informed decisions about when and where to sell produce, helping them negotiate better prices and improve competitiveness.

102. (D) (I), (II), (III), (IV), and (V)
Big Data Analytics achieves its impact in agriculture by integrating several modern technologies. This includes social computing and the Internet of Things for data collection, as well as data virtualization for management. Furthermore, it employs statistical methods, machine learning, and advanced data mining algorithms to extract insights. Information visualization tools then present these findings clearly, enabling more effective decisions.

103. (B) Using multi-date high-resolution satellite data integrated into a GIS
High-resolution satellite data integrated into a Geographic Information System enables efficient district-wise assessments of crop health. By computing vegetation indices from multi-date imagery, officials can monitor large areas without individual farm visits. This technology identifies variations in plant growth and detects potential issues early in the season. It provides a scalable and cost-effective method for managing regional productivity.

104. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that the SVAMITVA scheme relies on manual chain-link surveys over ten years is incorrect; it actually utilizes advanced drone technology for rapid mapping. However, the reason stating that the Survey of India serves as the technology partner is correct. It provides the expertise and infrastructure required to deliver integrated property validation and legal ownership solutions in rural areas.

105. (C) Core Banking System (CBS)
To overcome the limitations of standalone desktop systems, Rural Cooperative Banks have migrated to the Core Banking System platform. This fundamental upgrade enables real-time integration with national payment gateways like NEFT and supports digital banking services. By centralizing operations on CBS, these banks can process transactions more efficiently, facilitate Direct Benefit Transfers, and provide modern products to rural customers.

106. (D) (I), (II), (III), (IV), and (V)
Proposed ICT plans involve using sensors and mobile applications to provide farmers with a wide range of critical data. This includes information on soil composition, acidity, and moisture levels, as well as the current status of crop growth. Furthermore, the system can provide alerts regarding possibilities of severe weather changes. By delivering this comprehensive data directly to smartphones, technology supports responsive farming.

107. (A) Accessing digitized records where online charges ensure transparency
Under the Digital India Land Record Modernization Program, bank managers can verify land ownership and existing pledges instantly by accessing digitized records. The system allows for the creation of online charges, which ensures that all encumbrances on a piece of land are transparent and visible. This digital access eliminates the need for slow physical verification and helps prevent instances of multiple financing.

108. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Harnessing big data is a viable approach for managing risks in programs like weather-indexed insurance. By compiling long-standing data in a comprehensive manner, researchers can unearth hidden patterns and establish correlations between seemingly disjointed activities. This deep analysis provides a more accurate basis for predicting risks and designing effective credit

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75. (D) (I), (II), (III), and (IV)
Drones are versatile tools used throughout the agricultural crop cycle for various critical operations. They are deployed for soil and field analysis to understand land conditions, as well as for planting and crop spraying. Additionally, drones facilitate ongoing crop monitoring and irrigation management. Finally, they are used for plant health assessment, providing high-resolution data that helps farmers identify issues promptly.

76. (A) P-3, Q-1, R-4, S-2
Different remote sensing technologies target specific agricultural and maritime functions. Visible and near-infrared sensors form images by detecting reflected solar radiation. Ocean temperature maps are used to show upwelling and chlorophyll distribution. Side-looking airborne radar is effective for detecting shoals of surface-swimming fish. Finally, satellite imagery is primarily used for estimating cultivation acreage and assessing crop losses over large areas.

77. (D) (I), (II), and (III)
To address pockets of financial exclusion, a multifaceted approach is required. This involves following a customer-centric model that focuses on livelihoods and leveraging digital banking through Business Correspondent channels. Furthermore, creating financial awareness among unbanked households is essential. By combining these strategies, financial institutions can provide more effective and accessible services, ensuring that all segments of the rural population are included.

78. (A) P-1, Q-2, R-3, S-4
Data Visualization is an inter-disciplinary field dealing with the graphic representation of information. A Geographic Information System is a database of geographic data with tools for its management. The Global Positioning System uses a network of satellites and receivers to establish precise locations. Hyperspectral Remote Sensing provides detailed spectral information on a spatial basis for high-resolution agricultural mapping.

79. (B) Only (II)
Statement (I) is incorrect because initiatives like Aadhaar and Pradhan Mantri Jan Dhan Yojana have helped reduce the gender gap in bank account ownership rather than widen it. Statement (II) is correct since financial inclusion still faces challenges, requiring a customer-centric approach that promotes digital banking and supports livelihoods for truly inclusive growth.

80. (D) eNAM - A non-binding United Nations pact to encourage sustainable business policies
Several digital platforms and organizations support agricultural development, each with specific roles. KVKs fall under Agricultural Technology Application Research Institutes, and NADRS has its monitoring unit in Delhi. Agmarknet is hosted by the National Informatics Centre. However, describing eNAM as a non-binding United Nations pact is incorrect; eNAM is actually an Indian online trading platform networking agricultural mandis nationwide.

81. (A) (I), (II), and (III) only
The Financial Inclusion Fund has supported various initiatives to modernize rural banking. Key actions include assisting weak RRBs and RCBs with CBS implementation and facilitating RTGS/NEFT sub-membership for Rural Cooperative Banks. The pioneering of the Bank Sakhi model was also a significant step. However, the fund does not focus exclusively on Tier 1 urban centres, as its target is rural inclusion.

82. (A) P-3, Q-4, R-1, S-2
Radio Monsoon gathers information from multiple specialized agencies to provide safety advisories. INCOIS provides ocean information services, while NCMRWF offers medium-range weather forecasting. Data is also sourced from IIT Madras and the Kerala Disaster Management Authority. By synthesizing information from these diverse scientific bodies, the radio station delivers accurate and timely weather updates to help fishermen stay safe at sea.

83. (A) P-3, Q-4, R-2, S-1
Migration to CBS is essential for providing digital banking services to remote rural areas. Facilitating Direct Benefit Transfer ensures benefits are credited seamlessly through RBI payment gateways. The Bank Sakhi model coopts SHG members to provide trustworthy services close to the community. Finally, e-Shakti standardizes

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117. (D) SVAMITVA Scheme
The issuance of legal ownership cards for property in rural inhabited areas is a direct result of the SVAMITVA scheme. This initiative uses drones to map land parcels in areas where residents previously lacked formal documentation. By providing clear 'Records of Rights', the scheme enables villagers to use homes as collateral for bank loans and helps in reducing property-related disputes.

118. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that blockchain and smart contracts ensure delayed and manual payments is incorrect; they are designed to facilitate faster transactions. Smart contracts allow for timely payments that are automatically triggered by specific data changes recorded in the blockchain ledger. This system removes the need for manual intervention and reduces delays, ensuring stakeholders receive payments as soon as specific conditions are met.

119. (A) Blockchain Technology
Blockchain technology provides the immutable record-keeping system needed to ensure the authenticity of planting materials. By recording high-resolution images and data at every transit point, the system creates a transparent and unalterable history of material from the corporation to the farm. This prevents tampering and ensures that farmers receive the high-quality seeds they were promised, improving trust throughout the supply chain.

120. (C) Assertion (A) is true, but Reason (R) is false.
Recognizing micro-ATMs as ATMs for Rural Cooperative Banks successfully eliminated the need for intermediary financial inclusion servers, reducing costs. However, the claim that NABARD restricted RCBs from utilizing RBI payment gateways to cut costs is incorrect. On the contrary, these banks were encouraged to link to gateways like RTGS and NEFT to facilitate seamless transactions and improve digital banking service delivery.

121. (D) Automated genetic mutation of seed RNA
Drones are widely used in agriculture for diverse tasks such as planting, crop spraying, and monitoring irrigation systems. They are also essential for soil and field analysis and assessing overall plant health. However, the automated genetic mutation of seed RNA is a laboratory-based biotechnological process. It is not an operation that drones are capable of or designed for during cultivation.

122. (C) Integrated Nutrient Management (INM)
Integrated Nutrient Management is a practice focused on maintaining soil fertility and ensuring an optimum plant nutrient supply. It achieves this by combining all possible sources of nutrients, including organic, inorganic, and biological components, in a coordinated manner. This integrated approach aims to maximize crop productivity while minimizing environmental impact, representing a sustainable method for long-term soil health and efficient management.

123. (C) Using Radio Frequency Identification to uniquely identify the animal
Radio Frequency Identification is the technology used for uniquely identifying individual animals in a dairy farm. By utilizing electromagnetic coupling, the system enables wireless communication between a tag on the animal and a reader at the milking station. This allows for automated data collection without requiring physical contact. RFID is an essential tool for monitoring livestock health, managing production, and ensuring efficiency.

124. (A) Ocean temperature maps obtained through remote sensing technology
Researchers utilize ocean temperature maps obtained through remote sensing to track upwelling and chlorophyll distribution in marine environments. This technique provides critical information for identifying productive coastal zones and locating surface-swimming fish shoals. By mapping these environmental variables, scientists and fishermen can understand biological productivity, leading to more efficient and sustainable management of maritime resources and commercial fishing operations.

125. (B) Farm Tele Advisor (FTA)
At the Kisan Call Centre, agents responsible for responding to farmers' queries are officially designated as Farm Tele Advisors. These individuals are typically graduates in agriculture or allied sectors, ensuring they have the expertise needed to provide accurate advice. By

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May/June 2023

45. Consider the following statements regarding the Support for Training and Capacity Building of Microfinance Clients by NABARD:

I Programs are undertaken for key stakeholders such as Bankers, NGOs, Government officials, SHGs, and trainers.

II During 2020-21, 1.72 lakh participants were trained through various programs.

III Cumulatively, 42.17 lakh participants have been trained under the Financial Inclusion Fund.

IV Training programs strictly exclude SHG Federations as they are considered self-sufficient.

Which combination of statements is correct?

(A) (I), (II), and (III)
(B) (II), (III), and (IV)
(C) (I), (III), and (IV)
(D) (I), (II), and (IV)

Oct/Nov 2025

46. Match the legal forms of MFIs in List I with their respective regulatory frameworks in List II:

List I: (Legal form of MFI)

P. NGO-MFIs
Q. Cooperative MFIs
R. Incorporated MFIs (Non-NBFC)
S. NBFC-MFIs

List II: (Regulatory Framework)

1. Section 25 of Company Act 1956 / Section 8 of Companies Act 2013
2. Societies Registration Act 1860 or Indian Trust Act 1880
3. State Cooperative Societies Act or Mutually Aided Cooperative Societies Act
4. Companies Act 1956/2013 and registered with RBI

(A) P-1, Q-3, R-2, S-4
(B) P-2, Q-3, R-1, S-4
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

May/June 2012

47. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):

Assertion (A): LEDP projects are implemented in a cluster of contiguous villages fulfilling the criterion of "panchasutra" and credit linked for at least six months.

Reason (R): The cluster approach ensures that intensive training, demonstration units, extensive handholding, and mentoring can be effectively undertaken.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2014

48. What is the primary role of a Self-Regulatory Organization (SRO) for NBFC-MFIs?

(A) To provide direct liquidity through subsidized refinance for MFIs experiencing temporary capital shortages in rural markets.
(B) To establish a mandatory Code of Conduct, oversee regulatory compliance, and ensure the protection and education of borrowers.
(C) To nationalize underperforming microfinance institutions and integrate their operations with major public sector banking entities.
(D) To set fixed interest rates and operational margin caps that all participating microfinance institutions must strictly follow.

May/June 2019

49. An SHG federation applies for an MEDP grant from NABARD to conduct a farm-based skill training program. They plan to train 30 participants over a standard duration. What is the maximum grant assistance available under normal circumstances for this MEDP?

(A) ₹50,000
(B) ₹1 lakh
(C) ₹5 lakh
(D) ₹8.80 lakh

Oct/Nov 2006

50. Match the following NABARD livelihood and support interventions in List I with their descriptions in List II:

List I: (Livelihood Support Program)

P. MEDP
Q. LEDP
R. E-Shakti
S. NABFINS

List II: (Description)

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CHAPTER 20

Financing Poor as Bankable Opportunities Micro Credit and Self Help Groups

May/June 2023

1. Which of the following is an incorrect statement regarding the Village Banks model of microcredit delivery?
(A) Village banks are community-based credit and savings associations typically consisting of 25 to 50 low-income individuals.
(B) Initial loan capital for the village bank may come from an external source, but the members themselves run the bank.
(C) The members choose their own members, elect their own officers, and establish their own bye-laws.
(D) The members rely exclusively on goods or property to back their loans rather than moral collateral.

Oct/Nov 2018

2. Which of the following is NOT a principle followed by the financial scheme under the SHG-Bank Linkage Program?
(A) Utilizing individual and group savings as a form of partial collateral for loans.
(B) Implementing joint liability systems to replace the need for physical asset backing.
(C) Assigning all internal credit decision-making authority exclusively to the lending bank.
(D) Defining clear credit cycles that begin with small loans to build borrower capacity.

May/June 2007

3. Which of the following defines micro finance in the context of developmental economics?
(A) Large-scale industrial financing for urban corporate conglomerates aimed at driving national manufacturing output.
(B) Structured international trade facilitation involving cross-border syndicated loans secured by sovereign state guarantees.
(C) Small-scale financial services, including credit and thrift, provided to low-income individuals across rural and urban sectors.
(D) Development of heavy infrastructure investment funds managed through mandatory contributions from private sector entities.

Oct/Nov 2025

4. Under the SHG-Bank Linkage Program, which region holds a 36% share in total bank linkages?
(A) Northern India
(B) North Eastern (NE) India
(C) Southern India
(D) Western India

May/June 2012

5. The Group Model is closely related to and has inspired various lending models. All of the following are models inspired by or closely related to the Group Model EXCEPT:
(A) Grameen banking
(B) Direct individual corporate lending
(C) Village banking
(D) Solidarity and peer pressure

Oct/Nov 2014

6. What was the primary operational focus of setting up India's first Women's Bank, as announced in the Union Budget Speech for 2013-14 with an initial outlay of ₹1,000 crore?
(A) To exclusively finance heavy industrial manufacturing units owned by women to compete in the global trade marketplace.
(B) To support women-run businesses and SHGs to address the critical socio-economic aspects of gender-based empowerment.
(C) To act as a primary regulatory authority for the purpose of supervising the credit operations of all retail NGO-MFIs.
(D) To provide physical collateral to commercial banking institutions on behalf of all rural women applying for credit.

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communicating in local languages, FTAs help farmers solve specific problems related to soil and crops, bridging the gap between knowledge and practice.

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by a government department to protect individual lenders against the risk of borrower default.

(C) A collective repayment obligation where all group members are responsible for the loan if any single member fails to pay.

(D) The compulsory registration of individual physical assets with the central bank to provide a second layer of security for group loans.

May/June 2014

15. Identify the incorrect pair regarding the regional share in total bank linkages under the SHG-Bank Linkage Program.

(A) Southern India — 36%

(B) Northern regions — 5.4%

(C) North Eastern (NE) regions — 5.6%

(D) Southern India — 50%

Oct/Nov 2007

16. Arrange the following events related to the evolution of microfinance in chronological order:

I The Asian Institute of Management hosted the first regional workshop on banking with the poor.

II The Self-Help Group (SHG) Bank Linkage Program (SBLP) was started as a pilot project by NABARD.

III The board of governors of the FDC adopted the concept of Banking with the Poor.

(A) (I), (III), (II)

(B) (III), (I), (II)

(C) (III), (II), (I)

(D) (I), (II), (III)

May/June 2025

17. Consider the following statements based on the highlights of the SHG-Bank Linkage program 2020-21:

I Out of the total SHGs savings linked with banks, exclusive women SHGs numbered 97.25 lakhs.

II The total number of SHGs credit linked during 2020-21 was 28.87 lakhs.

III Out of the total SHGs loan outstanding, the number under NRLM/SGSY was 33.78 lakhs.

IV The average loan amount disbursed per SHG was ₹178,694.37.

V The financial value of SHGs credit linked during 2020-21 was ₹37,477.61 crore.

Which combination of statements is correct?

(A) (I), (II), and (III)

(B) (II), (III), and (IV)

(C) (I), (IV), and (V)

(D) (III), (IV), and (V)

Oct/Nov 2019

18. Match the following microcredit delivery models in List I with their characteristic features in List II:

List I: (Microcredit Delivery Model)

P. NGO Model

Q. Rotating Savings and Credit Associations Model

R. Bank Guarantees Model

S. Intermediary Model

List II: (Characteristic Feature)

1. A "go between" organization positions itself between lenders and borrowers to generate credit awareness.
2. Funds are given as a lump sum to one member in each cycle through regular cyclical contributions.
3. Organizations monitor progress, identify good practices, and create opportunities to learn about principles of micro credit.
4. Capital is obtained from a commercial bank externally through a donor or internally using member savings.

(A) P-3, Q-2, R-4, S-1

(B) P-1, Q-4, R-2, S-3

(C) P-4, Q-1, R-3, S-2

(D) P-2, Q-3, R-1, S-4

May/June 2009

19. Consider the following statements regarding the principles of the SHG-Bank Linkage Program:

I Bank loans are provided to SHGs for on-lending to their members.

II Interest rates for loans to members are decided by the SHG.

III 'Savings first and credit later' is the operational motto.

IV Active participation of individual members in the functioning of the group is avoided to maintain administrative efficiency.

Which combination of statements is correct?

(A) (I), (II), and (III)

(B) (II), (III), and (IV)

(C) (I), (III), and (IV)

(D) (I), (II), and (IV)

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term scalability and financial sustainability.
(D) Because the legal framework for societies explicitly prohibited individual members from accessing credit lines over ten thousand.

Oct/Nov 2017

32. To make enterprise and livelihood programs more effective, NABARD updated the guidelines under MEDP and LEDP. All of the following are new features included in the upgraded guidelines EXCEPT:
(A) Inclusion of JLG members as participants.
(B) Provision of daily stipend to participants.
(C) Mandatory 50% foreign equity participation in every established enterprise.
(D) Additional training on market linkages, e-marketing, branding, and packaging.

May/June 2008

33. Based on the snapshot of the microfinance sector as of 30 September, 2020, identify the correct statement regarding the percentage share of the loan portfolio.
(A) SFBs held the highest percentage share of the loan portfolio at 40.99%.
(B) NBFC-MFIs held a loan portfolio share of 30.80%.
(C) Non-Profit MFIs accounted for 8.71% of the total loan portfolio.
(D) Banks held a percentage share of 18.73% in the loan portfolio.

Oct/Nov 2013

34. A Project Implementing Agency (PIA) plans an LEDP covering Agriculture and Allied Activities. According to the structural guidelines, what is the maximum number of participants the program can cover, and how many SHGs should be clustered?
(A) 90 participants; minimum 5 to 10 SHGs
(B) 150 participants; minimum 15 to 30 SHGs
(C) 30 participants; exactly 1 SHG
(D) 250 participants; minimum 50 SHGs

May/June 2015

35. Consider the following statements regarding NABARD's Grant Support to partner agencies:
I Support is provided for promoting, nurturing, and credit linkage of SHGs with banks.
II Funding for the SHPIs/agencies is made from the 'Financial Inclusion Fund' and 'Women Self Help Group Development Fund'.
III The support focuses on mentoring, handholding, financial literacy, and capacity building of SHPIs/JLGPIs.
IV Cumulatively, the grant support sanctioned aggregated ₹42635.85 lakh as on 31 March 2021.
V The grant support specifically excludes Commercial Banks and Regional Rural Banks from participation.
Which combination of statements is correct?
(A) (I), (II), (III), and (V)
(B) (I), (II), (III), and (IV)
(C) (II), (III), IV, and (V)
(D) (I), (III), (IV), and (V)

Oct/Nov 2012

36. How are Village Level Programs (VLPs) defined in the context of NABARD's grant support?
(A) Local programs designed to improve mutual understanding and resolve credit-linkage issues between banks, SHGs, and promoters.
(B) International high-level symposiums organized to attract significant foreign direct investment into the rural economy.
(C) Specialized digital training camps held in metropolitan centers for the senior executives of commercial banking groups.
(D) Mandatory statutory audits conducted by central regulatory bodies to impose penalties on underperforming group members.

May/June 2011

37. Arrange the evolution phases of Micro Finance Institutions (MFIs) in India in the correct chronological order:
I Institutions converted to NBFC-MFIs under a category created by RBI based on Malegam committee recommendations.
II Microfinance institutions emerged mostly from the social sector, taking the legal form of trusts or Societies.
III RBI decided to accord recognition to industry associations as Self-Regulatory Organizations (SRO) for NBFC-MFIs.
(A) (II), (I), (III)
(B) (I), (II), (III)
(C) (II), (III), (I)
(D) (III), (II), (I)

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Oct/Nov 2015

26. Which statement is correct regarding the membership of the Banking with the Poor (BWTP) Network?

(A) An exclusive coalition restricted to central and commercial banking institutions to maintain rigorous regulatory oversight.

(B) A specialized assembly comprised solely of non-governmental organizations dedicated to socio-economic work in developing nations.

(C) A centralized administrative forum for international bilateral aid agencies focused on managing sovereign debt for member countries.

(D) A broad coalition encompassing NGOs, banks, self-help groups, and diverse financial institutions and cooperatives.

May/June 2013

27. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): The SHG movement in Northern and North Eastern (NE) regions assumes great significance for NABARD.
Reason (R): These regions exhibit a higher incidence of poverty and vulnerability, yet they possess a very meagre share (5.4% and 5.6% respectively) in total bank linkages.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

(C) Assertion (A) is true, but Reason (R) is false.

(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2021

28. Which scenario most appropriately illustrates the Rotating Savings and Credit Associations (ROSCA) Model?

(A) A group of twelve individuals monthly contributing fixed amounts, with the total pool awarded to one member via lottery.

(B) A regional rural bank receiving a bulk loan from a multilateral agency for distribution to various grassroots organizations.

(C) A non-governmental organization providing specialized credit training and technical linkages between farmers and commercial banks.

(D) A group of five borrowers where the lender provides initial capital to only two members based on initial performance.

May/June 2024

29. Which of the following is an incorrect statement regarding the demographic and operational features of SHGs in India?

(A) The national SHG program represents one of the world's most significant microfinance initiatives due to its extensive demographic reach.

(B) More than ten crore households nationwide have successfully integrated into the saving-led model of institutional microfinance.

(C) Exactly forty percent of all groups are exclusively women-led, representing a capped effort towards gender empowerment.

(D) The long-term economic impact of SHGs serves as a major verified component in the national strategy for poverty reduction.

Oct/Nov 2008

30. Identify the correct statement regarding the channels through which microfinance basically operates in India.

(A) Channel 1: Universal Basic Income models — Channel 2: Foreign Direct Investment portfolios

(B) Channel 1: Rotating Savings and Credit models — Channel 2: Small Business Enterprise models

(C) Channel 1: Bank Guarantee delivery systems — Channel 2: Grameen Bank institutional systems

(D) Channel 1: Self-Help Group-Bank Linkage Program — Channel 2: Micro Finance Institutions

May/June 2006

31. Why did the initial not-for-profit legal status (Trusts or Societies) of early microfinance institutions become a limitation?

(A) Because the not-for-profit status provided total tax exemptions that the central government wanted to eliminate for revenue.

(B) Because the RBI instituted a new regulation requiring all micro-lending to be backed by international donor liquid guarantees.

(C) Because the lack of equity options and commercial constraints hindered the long-

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Oct/Nov 2011

20. Consider the following statements regarding the Bank Guarantees Model:

I A bank guarantee is used to obtain a loan from a commercial bank.

II Guaranteed funds may be used for various purposes, including loan recovery and insurance claims.

III The guarantee can only be arranged externally through a donor and cannot be arranged internally using member savings.

Which combination of statements is correct?

(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

May/June 2010

21. Consider the following statements regarding the potential for the SHG Bank Linkage Program:

I As per the Socio Economic and Caste Census (SECC) 2011, about 1337 lakh households have a monthly income of the highest earning member below ₹5,000.

II It is estimated that there is a gap of about 563 lakh households who can form nearly 43 lakhs additional SHGs.

Which of the above statement(s) is/are correct?

(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2024

22. A bank sets up a unit with a Field Manager and workers covering 15 to 22 villages. They identify prospective clientele and form a group of five borrowers. Initially, only two receive a loan, and the group is observed for a month. Other members become eligible only if the first two repay the principal plus interest over fifty weeks. This operational structure is an application of which microcredit delivery model?

(A) Intermediary Model
(B) Grameen Bank Model
(C) Village Banks Model
(D) Rotating Savings and Credit Associations Model

May/June 2017

23. Consider the following statements regarding the Small Business Model:

I The prevailing vision of the informal sector is transitioning from viewing it as having low productivity to recognizing its importance in generating employment and increasing income.

II Microcredit is provided to Small and Medium Enterprises (SMEs) only as direct interventions, without incorporating any other inputs or enterprise development programs.

Which of the above statement(s) is/are correct?

(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2005

24. Identify the correct statement regarding the financial figures of the SHG-Bank Linkage program for 2020-21.

(A) The average loan amount outstanding per SHG as on 31 March, 2021 was ₹201,117.96.
(B) The total number of SHGs credit linked during 2020-21 stood at 57.80 lakhs.
(C) The financial achievement for total SHGs savings linked with banks was ₹58,070.68 crore.
(D) The total loan outstanding amount for all SHGs as on 31 March, 2021 was ₹103,289.71 crore.

May/June 2020

25. What is the usual composition of a Self-Help Group (SHG)?

(A) A set of five to eight individuals selected randomly across a district to manage diversified investment portfolios.
(B) A group of ten to twenty people from a homogeneous socio-economic class addressing their common financial problems.
(C) A group of twenty-five to fifty low-income individuals organized under the direct supervision of a bank manager.
(D) A fixed assembly of exactly twelve persons contributing predetermined monthly sums to a centralized saving fund.

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Oct/Nov 2020

38. Consider the following statements regarding the grant assistance to JLG Promoting Institutions (JLGPIs) during 2020-21:

I The grant assistance sanctioned to JLGPIs was enhanced by 100%.

II The grant amount was increased from ₹2000 to ₹4000 per JLG.

Which of the above statement(s) is/are correct?

(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2022

39. Identify the correct statement regarding the maximum project cost ceilings per person under the Livelihood and Entrepreneurship Development Program (LEDP).

(A) Agriculture and allied activities: ₹8000 — RNFS Activities: ₹5900
(B) Agriculture and allied activities: ₹2000 — RNFS Activities: ₹4000
(C) Agriculture and allied activities: ₹1 lakh — RNFS Activities: ₹2 lakh
(D) Agriculture and allied activities: ₹5900 — RNFS Activities: ₹8000

Oct/Nov 2023

40. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):

Assertion (A): Membership to the Self-Regulatory Organization (SRO) for NBFC-MFIs is not mandatory.

Reason (R): Reserve Bank of India strictly prohibits NBFC-MFIs from forming industry associations to prevent monopolistic practices.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2016

41. Which of the following is an incorrect statement regarding Project E-Shakti?

(A) It aims at the digitization of data of all SHGs for enhancing the ease of doing business.
(B) It captures all financial transactions taking place within the group and with banks on a real-time basis.
(C) As of 31 March 2021, the project is being implemented in 281 districts in the country covering 12.33 lakh SHGs.
(D) It operates offline and does not empower SHG members to access their own bank accounts through mobile devices.

Oct/Nov 2009

42. Based on the microfinance sector data as of 30 September, 2020, which state holds the highest percentage share of the total loan portfolio?

(A) West Bengal
(B) Bihar
(C) Tamil Nadu
(D) Maharashtra

Oct/Nov 2018

43. What is the primary objective of NABFINS as envisaged by NABARD?

(A) To operate as a sovereign wealth fund investing in international financial entities for the purpose of profit maximization.
(B) To serve as a model institution that establishes standards for governance, transparency, and fair interest rates for the sector.
(C) To act exclusively as a centralized insurance provider for self-help groups against potential losses from natural disasters.
(D) To replace the central bank as the primary regulatory body for all non-banking financial companies operating in rural areas.

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May/June 2007

44. A targeted scheme implemented by NABARD in association with the Department of Financial Services promoted 2.11 lakh WSHGs in 150 specific districts. Which backward districts are primarily targeted by this scheme?

(A) Districts exclusively located in the North Eastern region.
(B) Coastal districts affected by recurrent marine cyclones.
(C) Fully urbanized metropolitan districts with high slum populations.
(D) Left Wing Extremism (LWE) and backward districts of the country.

May/June 2019

7. On which date did the board of governors of the Foundation for Development Cooperation (FDC) of Australia adopt the concept of Banking with the Poor (BWTP)?
(A) 13 May 1991
(B) 1 June 1990
(C) 17 May 1991
(D) 1 April 1992

Oct/Nov 2006

8. The village bank method utilizing small groups of five to eight women organized into a village bank of 15 to 30 members is actively used by Village Banks CRECER in which country?
(A) Bangladesh
(B) Bolivia
(C) Philippines
(D) Australia

May/June 2021

9. According to the highlights of the SHG-Bank Linkage program 2020-21, what was the total number of SHGs savings linked with banks?
(A) 57.80 lakhs
(B) 28.87 lakhs
(C) 97.25 lakhs
(D) 112.23 lakhs

Oct/Nov 2010

10. What is the core philosophy underlying the Group Model of microcredit delivery?
(A) Providing high-value individual capital infusions directly to entrepreneurs to promote autonomous growth without peer interaction.
(B) Requiring all loan disbursements to be secured by physical assets worth no less than the total outstanding principal.
(C) Leveraging collective responsibility and peer-based security to mitigate individual credit risks and structural vulnerabilities.
(D) Granting external commercial institutions the power to dictate all internal operational bylaws for participating community groups.

May/June 2005

11. Consider the following statements regarding the National Rural Livelihoods Mission (NRLM/ Aajeevika) projections:
I The mission projects that 60 lakh households SHGs will require a credit of ₹40,000 crore per year for the next five years.
II It projects a credit requirement of a whopping ₹100,000 crore per year for five years after the initial five-year period.
III The number of SHGs having savings linkage increased to 112 lakh as on 31 March, 2016.
Which combination of statements is correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

Oct/Nov 2022

12. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): The year 1992 is considered the turning point of the micro finance movement in India.
Reason (R): The Self-Help Group (SHG) Bank Linkage Program (SBLP) was started as a pilot project by NABARD in 1992.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2018

13. The financial scheme under the SHG-Bank Linkage Program is governed by specific principles. Which of the following reflects a core principle of this scheme?
(A) Savings must occur first, and no credit should be provided without savings.
(B) Credit must be disbursed first to encourage the habit of savings among members.
(C) The lending bank decides the interest rates and terms for loans given to individual SHG members.
(D) Physical collateral is strictly required as a substitute for joint liability.

Oct/Nov 2016

14. Which of the following defines the concept of "Joint Liability" within the Group Model of microcredit?
(A) A formal risk-sharing mechanism where a commercial bank and an NGO co-guarantee the performance of a diverse loan portfolio.
(B) A specific sovereign guarantee issued

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1. A holistic approach to sustainable livelihood in cluster contiguous villages with intensive training.
2. A pilot project aimed at the digitization of data of all SHGs to enhance the ease of doing business.
3. An institution envisaged to evolve into a Model Microfinance Institution setting standards of governance.
4. A skill up-gradation program of 15 days duration to start micro enterprises, with a maximum grant of ₹1 lakh.

(A) P-3, Q-1, R-2, S-4
(B) P-4, Q-1, R-2, S-3
(C) P-1, Q-4, R-3, S-2
(D) P-2, Q-3, R-4, S-1

May/June 2021

51. An initiative conceptualized to bridge the digital divide in the SHG-BLP space uses an app to provide 'one-click' availability of social and financial information of SHGs maintaining Saving Bank accounts. This database generates reliable information enabling banks to take credit decisions. Which project does this scenario describe?
(A) Project PSIG
(B) Project NMFSP
(C) Project IMEF
(D) Project E-Shakti

Oct/Nov 2010

52. All of the following states are among the top five states in terms of share in loan portfolio as a share of total loan portfolio EXCEPT:
(A) Karnataka
(B) Bihar
(C) West Bengal
(D) Kerala

May/June 2005

53. Which of the following best describes NABARD's role as a microfinance facilitator?
(A) It serves as a commercial lender providing direct consumption loans to individual households to increase rural demand.
(B) It acts as a primary equity investor taking management control of non-profit institutions to ensure financial viability.
(C) It facilitates microfinance initiatives, particularly the SHG-Bank Linkage program, through refinance and grant assistance.
(D) It functions as an international clearinghouse for foreign funds without interacting with domestic retail credit institutions.

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Oct/Nov 2022

54. Consider the following statements regarding the Livelihood and Entrepreneurship Development Program (LEDP):
I LEDP was initiated on a pilot basis in December 2015 to provide a more comprehensive and holistic approach to sustainable livelihood generation.
II It operates strictly on a one-off training model rather than working in project mode in clusters of contiguous villages.
III The program provides intensive training for skill building, backward-forward linkages, handholding, and escort support for credit linkage.

Which combination of statements is correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

May/June 2018

55. Under the business model of JLG promotion and financing, NABARD has entered into how many MoUs with banks across 22 States?
(A) 30 MoUs
(B) 50 MoUs
(C) 70 MoUs
(D) 100 MoUs

Oct/Nov 2016

56. Consider the following statements regarding the portfolio performance of the microfinance sector as of 30 September, 2020:
I The industry level delinquency for 30+ days past dues was 4.48%.
II Banks had a delinquency rate of 6.04% for 30+ days past dues.
III NBFC-MFIs exhibited a delinquency rate of 1.63% for 60+ days past dues.
IV Non-Profit MFIs had the highest delinquency rate of 2.79% for 90+ days past dues.

Which combination of statements is correct?
(A) (I), (II), and (III)
(B) (II), (III), and (IV)
(C) (I), (III), and (IV)

portfolio that has been assigned or securitized is considered a risk asset.
(D) Only half of the total assigned portfolio value should be recognized as a formal liability for regulatory purposes.

May/June 2021

93. According to the RBI consultative document, what was the unintended consequence of fixing interest rate caps specifically for NBFC-MFIs?
(A) It caused microfinance institutions to shift their focus and lend exclusively to wealthy urban demographic segments.
(B) It led to a total cessation of all microfinance lending activities across both rural and semi-urban geographic areas.
(C) It created a benchmark that served as a protection for banks with lower funding costs rather than for the intended MFIs.
(D) It pressured all non-profit organizations to immediately transform into full-scale commercial banks to remain viable.

Oct/Nov 2010

94. What was the Malegam Committee's regulatory stance regarding the commencement of loan repayment?
(A) It is encouraged to ensure zero default risk.
(B) Repayment can begin immediately provided an additional 5% fee is paid.
(C) There must be a minimum period of moratorium between the grant of the loan and the commencement of its repayment.
(D) The loan must be repaid in a single bullet payment within 24 hours.

May/June 2005

95. According to the Malegam Committee, there should be only three components in the pricing of the loan. All of the following are the permitted components EXCEPT:
(A) A processing fee not exceeding 1% of the gross loan amount.
(B) An administrative surcharge for field agent visits.
(C) The interest charge.
(D) The insurance premium.

Oct/Nov 2022

96. Match the following quantitative limits recommended by the Malegam Committee in List I with their respective values in List II:

List I: (Requirement)
P. Loan amount does not exceed ₹15,000
Q. Loan amount between ₹15,001 and ₹25,000
R. Prepayment penalty on either loan amount
S. Aggregate loans for income generation

List II: (Value/Limit)
1. Tenure is not less than 24 months (with right of prepayment).
2. Tenure is not less than 12 months.
3. Must be not less than 75% of total loans.
4. Should be completely absent (without penalty in all cases).

(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-1, R-4, S-3
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-3, R-2, S-1

May/June 2018

97. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): RBI proposes to do away with the restriction on a borrower being able to borrow from only two lenders.
Reason (R): The two-lender limit is no longer required in light of the total customer indebtedness limit based on a percentage of household income applicable to all regulated entities.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2016

98. Which recommendation was explicitly made by the Malegam Committee to minimize the adverse features of Multiple-lending, Over-borrowing, and Ghost borrowers?
(A) Borrowers should only be funded as part of a joint liability group, with a maximum of two lenders per individual.
(B) Borrowers should be actively encouraged to join multiple self-help groups to ensure they have diverse lines of credit.
(C) Credit disbursements should be handled exclusively through unregulated local money lenders to bypass formal banking rules.

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II NBFC-MFIs must essentially have a qualifying grading not less than MFR2/MF2 to avail refinance.
III A special relaxation is given to the North Eastern Region including Sikkim, relaxing the grading up to MFR3.
IV The MFI must also be in net profit for the last three years out of preceding four years.
V During 2020-21, refinance for an aggregate sum of ₹4789 crore was disbursed to 29 MFIs.

Which combination of statements is correct?
(A) (I), (II), (III), and (V)
(B) (II), (III), (IV), and (V)
(C) (I), (III), (IV), and (V)
(D) (I), (II), (III), (IV), and (V)

Oct/Nov 2024

64. What are the two critical factors highlighted by the RBI consultative paper (June 2021) that contribute to customer indebtedness?
(A) The persistence of high collateral requirements and a widespread lack of digital financial literacy among rural borrowers.
(B) An excessive reliance on cooperative banking funds coupled with a high geographic concentration in the southern states.
(C) The limited regulatory scope over the sector and lending rates remaining elevated despite the achievement of scale.
(D) The mandatory requirement for borrowers to join multiple groups and the implementation of excessively high loan tenures.

May/June 2017

65. What was the primary aim of the World Bank funded "Scaling Up Sustainable and Responsible Microfinance Project" implemented by SIDBI?
(A) To expand sustainable microfinance access in underserved regions by introducing new products and increasing transparency.
(B) To significantly decrease the number of operational MFIs by enforcing rigorous and immediate liquidation procedures.
(C) To require all existing microfinance entities to transition into full-scale scheduled commercial banks within two years.
(D) To provide unconditional and non-repayable grants to all self-help groups without any oversight or financial obligation.

Oct/Nov 2005

66. Which of the following is an incorrect statement regarding the criteria for exemption of 'not for profit' microfinance companies as per the consultative document?
(A) They must be registered under Section 8 of the Companies Act, 2013.
(B) They must not accept public deposits.
(C) They must have an asset size of more than ₹500 crore.
(D) They must provide collateral-free loans adhering to the household income limits and the 50% repayment limit rule.

May/June 2020

67. In the year 2015, Project E-Shakti was launched by NABARD as a pilot project in which two districts?
(A) Patna (Bihar) and Pune (Maharashtra)
(B) Ranchi (Jharkhand) and Surat (Maharashtra)
(C) Ramgarh (Jharkhand) and Dhule (Maharashtra)
(D) Varanasi (Bihar) and Nashik (Maharashtra)

Oct/Nov 2015

68. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): SIDBI helped develop a Code of Conduct Assessment (COCA) Tool for MFIs.
Reason (R): COCA provides a fair, third-party independent assessment of an MFI's compliance with the voluntary microfinance Code of Conduct, ensuring ethical practices.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2013

69. Consider the following statements regarding the India Microfinance Equity Fund (IMEF):
I It was created in the Union Budget 2011-12 with an initial allocation of ₹100 crore.
II It is operated through SIDBI.
III The allocation was increased by ₹200 crore

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in FY 2013-14.

IV An impact assessment study revealed that IMEF had a high and positive impact on MFIs in terms of building their overall sustainability.

V As on September 30, 2017, 65 MFIs were committed assistance under the fund amounting to INR 195.50 Crore.

Which combination of statements is correct?

(A) (I), (II), (III), and (IV)
(B) (II), (III), (IV), and (V)
(C) (I), (III), (IV), and (V)
(D) (I), (II), (III), (IV), and (V)

Oct/Nov 2021

70. Which of the following is an incorrect statement regarding the findings of the 7-Year Impact Assessment Study commissioned by SIDBI on the MFI program?

(A) Micro finance is an effective strategy for extending financial services to the poor, as 92% of sample clients had no access to formal sources of credit.
(B) SIDBI's micro finance effectively reached underprivileged sections, with SC/STs and Backward Classes accounting for 73% of the sample.
(C) Access to formal credit among the sample households decreased across all wealth ranks, negatively impacting saving habits.
(D) Women constituted around 80% of sample clients, being as high as 96% in the SHG model.

May/June 2024

71. Under the proposed changes by RBI, what is the maximum permitted limit for interest and principal repayment for all outstanding loan obligations for a rural household with an annual income of ₹1,00,000?

(A) ₹1.25 Lakh absolute value regardless of income.
(B) It should not exceed 50% of the household income.
(C) It should not exceed 75% of the household income.
(D) ₹75,000 in the first cycle, strictly.

Oct/Nov 2008

72. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): To avail refinance from NABARD, the qualifying grading requirement for MFIs in the North Eastern Region including Sikkim is relaxed up to MFR3.
Reason (R): The relaxation is intended to promote microfinance in the North Eastern Region, considering its specific developmental needs and lower MFI penetration.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2006

73. Consider the following statements regarding the Harmonized COCA Tool (HCT) rolled out by SIDBI:

I The tool involves a total of 251 indicators.

II It covers 9 dimensions, including Integrity and Ethical Behaviour, Transparency, and Client Protection.

III The tool is primarily based on the joint COC issued by MFIN and Sa-Dhan, RBI fair practice code, and Smart Campaign's client protection Principle.

IV Harmonized assessments completed are kept strictly confidential and are not hosted on any website.

Which combination of statements is correct?

(A) (I), (II), and (III)
(B) (II), (III), and (IV)
(C) (I), (III), and (IV)
(D) (I), (II), and (IV)

Oct/Nov 2017

74. Consider the following statements regarding the Responsible Financial Initiatives taken by SIDBI:

I SIDBI created a Lenders' Forum to promote cooperation and responsible lending practices among MFI lenders.

II SIDBI facilitated the development of a common code of conduct for MFIs and ensured adherence through COCA exercises.

III SIDBI avoided laying down standards for risk rating or portfolio audits to prevent over-regulation.

Which combination of statements is correct?

NODIA

(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

May/June 2008

75. Match the proposals outlined in the RBI consultative document in List I with their corresponding regulatory intent in List II:
List I: (RBI Proposal)
P. Household income assessment
Q. Pre-payment penalty
R. Standard simplified fact-sheet
S. Pricing guidelines alignment
List II: (Regulatory Intent)
1. Aligning guidelines for NBFC-MFIs with those applicable to general NBFCs.
2. Capping the payment of interest and repayment of principal to a maximum of 50% of the household income.
3. Ensuring transparent disclosure of pricing related information.
4. Ensuring no penalty is charged for early repayment of the loan.
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-4, R-3, S-1
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-3, R-2, S-1

Oct/Nov 2013

76. Identify the correct statement regarding the Refinance Support provided to Banks by NABARD.
(A) NABARD provides only 50% refinance to banks towards their lending to SHGs.
(B) NABARD's refinance towards SHG lending formed 50% of the total refinance provided to banks for investment credit.
(C) Refinance support is strictly limited to foreign banks operating in India.
(D) NABARD extended refinance of ₹12227 crore to the banks during 2020-21.

May/June 2015

77. Identify the correct statement regarding the RBI's Consultative document on regulation of MFIs released in June 2021.
(A) It proposed that banking institutions and small finance banks should remain entirely exempt from all micro-lending restrictions.
(B) It mandated that microfinance entities must set interest rates based strictly on the lowest available public sector benchmark.
(C) It recommended a significant increase in the operational margin cap to help institutions cover rising administrative costs.
(D) It aimed to establish a level playing field by applying uniform policy regulations to all RBI-regulated microfinance entities.

Oct/Nov 2012

78. Consider the following statements regarding the National Microfinance Support Program (NMFSP):
I SIDBI entered into a collaboration with the Department for International Development (DFID), UK in April 2000.
II A subsequent collaboration was made with the International Fund for Agricultural Development (IFAD), Rome in April 2002 to provide on-lending fund support to partner MFIs.
Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

May/June 2011

79. A development program funded by UK Aid aims to encourage the provision of financial services to the poor in states like Uttar Pradesh, Madhya Pradesh, Bihar, and Odisha during the 2012-19 period. Which program does this describe?
(A) Micro Enterprise Development Program (MEDP)
(B) Poorest States Inclusive Growth Program (PSIG)
(C) India Microfinance Equity Fund (IMEF)
(D) National Microfinance Support Program (NMFSP)

Oct/Nov 2020

80. Match the following dimensions covered under the Harmonized COCA Tool (HCT) in List I with their appropriate contextual focus in List II:
List I: (HCT Dimension)
P. Transparency
Q. Grievance Redressal
R. Client Protection
S. Governance
List II: (Contextual Focus)
1. Ensuring the board of directors effectively oversees ethical practices and operational

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risks.
2. Safeguarding borrowers from over-indebtedness and abusive recovery practices.
3. Establishing mechanisms for feedback and resolving customer complaints.
4. Providing clear, accurate, and easily understandable information regarding interest rates and pricing.

(A) P-4, Q-3, R-2, S-1
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-1, R-4, S-2
(D) P-2, Q-4, R-1, S-3

May/June 2022

81. The RBI consultative document proposes the withdrawal of several guidelines presently applicable only to NBFC-MFIs. It proposes the withdrawal of all the following EXCEPT:
(A) Assessing annual household income and capping total repayments at half of that identified income level.
(B) Maintaining specific sub-limits on initial loan amounts for borrowers entering their first credit cycle.
(C) Following the two-lender rule which restricts borrowers from accessing credit from multiple institutions.
(D) Enforcing a minimum tenure of twenty-four months for all credit disbursements exceeding thirty thousand.

Oct/Nov 2023

82. Match the following SIDBI programs/funds in List I with their corresponding details in List II:
List I: (SIDBI Program/Fund)
P. SIDBI Foundation for Micro Credit (SFMC)
Q. National Microfinance Support Program (NMFSP)
R. Poorest States Inclusive Growth Program (PSIG)
S. India Microfinance Equity Fund (IMEF)
List II: (Details)
1. Launched in April 2000 in collaboration with DFID, UK.
2. Created in 1999 to serve as an apex wholesale unit for microfinance.
3. Created in the Union Budget 2011-12 with a ₹100 crore fund.
4. Funded by UK Aid through DFID in states like UP, MP, Bihar, and Odisha.

(A) P-1, Q-2, R-4, S-3
(B) P-2, Q-1, R-4, S-3
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-3, R-2, S-1

May/June 2016

83. To upscale the flow of micro credit, SIDBI spearheaded a tool that became an industry-standard to assess the risk perception of MFIs. What is the name of this concept pioneered by SIDBI?
(A) Return on Asset Rating (ROAR)
(B) Sovereign Default Rating (SDR)
(C) Marginal Cost Rating (MCR)
(D) Capacity Assessment Rating (CAR)

Oct/Nov 2009

84. To bring a large segment of the population into the ambit of formal credit, RBI adjusted the annual household income limit of rural borrowers eligible for MFI loans. What are the updated income limits for rural and urban borrowers?
(A) ₹1.00 lakh for rural; ₹1.50 lakh for urban
(B) ₹1.25 lakh for rural; ₹2.00 lakh for urban/semi-urban
(C) ₹2.00 lakh for rural; ₹3.00 lakh for urban/semi-urban
(D) ₹75,000 for rural; ₹1.25 lakh for urban/semi-urban

NODIA

May/June 2023

85. Identify the correct statement regarding the Lenders' Forum facilitated by SFMC.
(A) The Forum prohibits members from evaluating the operational field practices of the microfinance entities they assist.
(B) The Forum functions exclusively as a political lobby to secure tax exemptions for major commercial banking groups.
(C) Lenders collaborate to ensure MFIs implement responsible lending practices by adhering to a common set of loan covenants.
(D) The Forum has remained inactive since its inception due to a consistent lack of consensus among the participating banks.

Oct/Nov 2018

86. Post the announcement of the creation of the "India Microfinance Equity Fund" with SIDBI, NABARD's Revolving Fund Assistance (RFA) and Capital support schemes were discontinued with effect from 1st April, 2011 EXCEPT for:
(A) New credit proposals that originate

exclusively from registered cooperative microfinance institutions.
(B) Outstanding balances and existing commitments related to earlier capital support and revolving fund assistance.
(C) Specialized development programs that are funded through joint initiatives with the World Bank group.
(D) Microfinance institutions that operate their credit services exclusively within major metropolitan zones.

May/June 2007

87. Consider the following statements regarding the common definition of microfinance loans proposed in the RBI consultative document:
I Microfinance loans shall mean collateral-free loans to households with an annual household income of ₹1.25 lakh for rural and ₹2.00 lakh for urban/semi-urban areas.
II The definition of 'household' places more emphasis on 'ordinarily taking food from a common kitchen' rather than 'normally living together'.
Which of the above statement(s) is/are correct?
(A) Only (I)
(B) Only (II)
(C) Both (I) and (II)
(D) Neither (I) nor (II)

Oct/Nov 2025

88. Why were most micro finance programs initially unable to have smooth access to funds from the financial sector before rating mechanisms were introduced?
(A) They were registered as Societies or Trusts, not subjected to regulation and supervision, and lacked collateral security.
(B) They were operated by wealthy corporate entities that did not require bank funding.
(C) They were unregistered entities operating completely outside the boundaries of any national law.
(D) They refused to accept loans in domestic currency and demanded foreign exchange exclusively.

May/June 2012

89. The India Microfinance Equity Fund (IMEF) was created primarily to:
(A) Providing comprehensive debt relief and write-offs for large-scale corporate agricultural firms in well-developed states.
(B) Strengthening the capital base of small, socially-oriented MFIs in underserved areas to address liquidity challenges.
(C) Financing the strategic acquisition of international financial institutions by Indian public sector banking organizations.
(D) Consolidating all microfinance lending operations under the direct administrative control of the national Ministry of Finance.

Oct/Nov 2014

90. All of the following are major initiatives taken by SIDBI in the field of Responsible Finance Practices EXCEPT:
(A) Mandating that all MFIs must provide interest-free loans regardless of their cost of funds.
(B) Creation of a Lenders' Forum.
(C) Laying down standards for the sector through measures like concept of risk rating and portfolio audits.
(D) Carrying out Sectoral Studies / Impact Studies.

May/June 2019

91. Which of the following is an incorrect statement derived from the summary of the microfinance sector?
(A) The share of NBFC-MFIs in the loans outstanding constituted about 85.5%.
(B) The loan outstanding of the agencies covered by the MFI sector stood at ₹2.27 lakh crore.
(C) The MFI sector covers about 628 districts across the country.
(D) Microcredit is delivered through channels including SCBs, SFBs, RRBs, cooperative banks, and NBFCs.

Oct/Nov 2006

92. How should an MFI account for assigned or securitized loans where the securitization is with recourse, for the calculation of Capital Adequacy as per the Malegam Committee?
(A) The assigned portfolio should be completely removed from the institution's balance sheet for all capital calculations.
(B) The total value of the credit enhancement should be added directly to the institution's net owned funds account.
(C) The full value of the outstanding loan

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(D) (I), (II), and (IV)

May/June 2014

57. What is the unique feature of the framework of the Livelihood and Entrepreneurship Development Program (LEDP)?
(A) It offers a holistic framework covering livelihood mapping, trainee identification, resource tie-ups, and credit linkage support.
(B) It facilitates direct interest-free loans to group members without requiring the involvement of commercial banking partners.
(C) It mandates that the total output of manufactured goods from the clusters be procured directly by the central government.
(D) It restricts all skill-building interventions to urban populations seeking high-tech employment in the industrial services sector.

Oct/Nov 2007

58. Which of the following is an incorrect statement regarding the functions of a recognized SRO for NBFC-MFIs?
(A) The SRO has the absolute statutory power to revoke the banking licenses of commercial banks that fail to lend to SHGs.
(B) The SRO is responsible for formulating and administering a Code of Conduct recognized by the Reserve Bank.
(C) The SRO must have a grievance and dispute redressal mechanism for the clients of NBFC-MFIs.
(D) The SRO is responsible for ensuring borrower protection and education, and surveillance of the microfinance sector.

May/June 2025

59. Which of the following is an incorrect statement regarding the Micro Enterprise Development Program (MEDP)?
(A) Training activities under MEDP are generally organized for 15 days with 30 participants.
(B) In special cases, the total duration of the program is permitted to be increased up to three weeks within the monetary ceiling.
(C) MEDP focuses solely on theoretical classroom lectures without any objective of imparting practical skills to SHG members.
(D) NABARD operationalized MEDPs on the "NABSKILL" portal in July 2019 to ease application processing.

Oct/Nov 2019

60. Identify the correct statement regarding the promotion of Joint Liability Groups (JLGs) by NABARD.
(A) NABARD prohibits the use of non-governmental organizations as promoting agencies to maintain strict control over groups.
(B) NABARD has developed a business model where banks sign MoUs to take responsibility for extending credit to these groups.
(C) During the 2020-21 period, the total grant assistance for group formation was reduced to discourage excessive borrowing.
(D) NABARD provides direct financial support to individual group members, bypassing the traditional commercial banking system.

NODIA

May/June 2009

61. SIDBI created a dedicated department to provide loan funds, grant support, equity, and institution-building support to retailing MFIs. Which entity was created in 1999 by SIDBI to serve as this apex wholesaler?
(A) National Rural Livelihoods Mission (NRLM)
(B) India Microfinance Equity Fund (IMEF)
(C) SIDBI Foundation for Micro Credit (SFMC)
(D) Foundation for Development Cooperation (FDC)

Oct/Nov 2011

62. Identify the incorrect pair regarding the digital applications promoted by SFMC's digital financial literacy program.
(A) Usage of Physical Cash Ledgers — Promoted application
(B) Usage of AEPS — Promoted application
(C) Usage of *99# USSD — Promoted application
(D) Usage of BHIM — Promoted application

May/June 2010

63. Consider the following statements regarding NABARD's financial assistance to the MFI Segment:
I Financial assistance is provided by way of Long-Term Refinance support since 2014-15.

(D) Institutions should immediately recover all outstanding principal amounts if a borrower decides to take a second loan.

May/June 2014

99. A commercial bank provides significant advances to an MFI. However, an RBI inspection reveals that the MFI does not comply with the specified microfinance regulations. According to the Malegam Committee, how should the bank's advances to this MFI be treated?
(A) They should be automatically converted into equity shares of the MFI.
(B) They should be denied "priority sector lending" status.
(C) They shall continue to enjoy "priority sector lending" status without any change.
(D) The bank should be forced to waive off the entire advance amount.

Oct/Nov 2007

100. Consider the following conditions suggested by the Malegam Committee to satisfy the "qualifying asset" criteria of an NBFC-MFI:
I The loan is given to a borrower whose annual household income does not exceed ₹50,000.
II The amount of the loan does not exceed ₹25,000.
III The loan is without collateral.
IV The aggregate amount of loans given for income generation purposes is not less than 75% of total loans.
V The tenure of the loan is not less than 12 months where the loan amount does not exceed ₹15,000.
Which combination of statements is correct?
(A) (I), (II), (III), and (IV)
(B) (II), (III), (IV), and (V)
(C) (I), (III), (IV), and (V)
(D) (I), (II), (III), (IV), and (V)

May/June 2025

101. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): The Malegam Committee recommended examining the creation of one or more "Domestic Social Capital Funds" in consultation with SEBI.
Reason (R): This would provide a funding avenue for MFIs and encourage them to issue preference capital, which can be treated as part of Tier II capital.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2019

102. In contrast to the Grameen Bank model, the typical SHG model in India relies on pooled member savings first to make interest-bearing loans. Which fundamental principle differentiates the SHG model's starting point from the direct credit approach?
(A) The SHG model follows a 'savings first' philosophy, utilizing members' own thrift to initiate internal lending cycles.
(B) The SHG model requires full physical collateral, while the Grameen model relies entirely on peer-based moral security.
(C) The SHG model is funded exclusively by international philanthropic donors without requiring any member contributions.
(D) The Grameen model operates through a system managed entirely by borrowers without any professional banking oversight.

May/June 2009

103. According to the Malegam Committee, what is the mandated methodology for an NBFC-MFI to maintain aggregate provisioning for its loan portfolio?
(A) Maintain provisions for each individual loan based strictly on the borrower's standardized national credit score.
(B) Maintain an aggregate provision based on the higher of one percent of the portfolio or specified overdue installments.
(C) Maintain zero financial provisions for the entire loan portfolio as long as the underlying loans remain unsecured.
(D) Maintain a flat fifteen percent provision on the entire outstanding portfolio regardless of the actual overdue status.

Oct/Nov 2011

104. Match the following quantitative limits recommended by the Malegam Committee in List I with their respective values in List II:

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List I: (Requirement)
P. Margin cap for MFIs with loan portfolio > ₹100 crores
Q. Interest cap on individual loans
R. Minimum net worth for NBFC-MFI
S. Capital Adequacy Ratio (CRAR)
List II: (Value)
1. 24%
2. 15%
3. ₹15 crore
4. 10%
(A) P-4, Q-1, R-3, S-2
(B) P-1, Q-2, R-4, S-3
(C) P-3, Q-4, R-2, S-1
(D) P-2, Q-3, R-1, S-4

May/June 2010

105. In the Malegam Committee report, why is the Reserve Bank advised to confine its on-site supervision to larger MFIs while relying on organizational arrangements for others?
(A) Because the central bank does not possess the legal authority to supervise non-banking financial companies.
(B) Because smaller institutions are considered completely risk-free and do not require any regulatory oversight.
(C) To optimize regulatory resources by focusing on large firms while utilizing bank branches for general monitoring.
(D) Because state governments maintain exclusive jurisdiction over the financial audits of all local banking branches.

Oct/Nov 2024

106. Consider the following statements regarding the RBI's rationale for removing the restriction that 50% of the loan issued by an NBFC-MFI shall be for income generation purposes:
I In the Indian context, microfinance loans are taken for many purposes other than income generation, such as education or medical bills.
II Paying medical bills or acquiring property are possibly just as important as income generation.
III Specifying a purpose should not disqualify a future borrower from acquiring a loan.
Which combination of statements is correct?
(A) (I) and (II)
(B) (II) and (III)
(C) (I) and (III)
(D) (I), (II), and (III)

May/June 2017

107. What was the cut-off date suggested by the Malegam Committee for the implementation of its recommendations regarding the rate of interest on loans given by an MFI?
(A) 1st January, 2010
(B) 31st March, 2010
(C) 1st April, 2011
(D) 1st April, 2012

Oct/Nov 2005

108. According to the Y. H. Malegam Committee Report, what accurately defines an NBFC-MFI?
(A) A company providing financial services to low-income borrowers via small, unsecured, short-term loans for income generation.
(B) A cooperative banking institution focused on providing high-value commercial loans on a strictly secured basis.
(C) A specialized financial entity licensed to accept public deposits while operating under the national companies act.
(D) A sovereign investment fund dedicated to providing long-term infrastructure credit with fixed annual repayment plans.

May/June 2020

109. Match the following Malegam Committee recommendations in List I with the responsible entity or action in List II:
List I: (Recommendation)
P. Primary responsibility for ensuring compliance
Q. Role of banks in compliance
R. Power to remove CEO/director
S. Exemption from State Money Lending Acts
List II: (Entity/Action)
1. Recommended on account of interest margin caps and increased regulation.
2. The Reserve Bank of India in the event of persistent violation.
3. Surveillance of MFIs through their branches.
4. Rests with the MFI itself and its management.
(A) P-4, Q-3, R-2, S-1
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-4, R-1, S-2
(D) P-2, Q-1, R-4, S-3

NODIA

Oct/Nov 2015

110. An MFI issues a document to a borrower at the time of loan disbursement. According to the Malegam Committee, this document must show the effective rate of interest, terms, and conditions in a language understood by the borrower. What is this document called?
(A) Promissory Note
(B) Security Bond
(C) Loan Card
(D) Defaulter Notice

May/June 2013

111. Which of the following is an incorrect statement regarding the Malegam Committee's suggestion on the internal structure of MFIs?
(A) Every MFI should be required to have a system of Corporate Governance in accordance with rules specified by the Regulator.
(B) NBFC-MFIs should be required to maintain a Capital Adequacy Ratio of 15%.
(C) All of the Net Owned Funds of an NBFC-MFI should be in the form of Tier I Capital.
(D) The proposed Act should allow micro finance entities to freely do the business of providing thrift services (accepting deposits).

Oct/Nov 2021

112. Match the following institutional channels of microcredit delivery in List I with their classifications in List II:
List I: (Institution)
P. SCBs
Q. SFBs
R. RRBs
S. NBFCs
List II: (Classification)
1. Non-banking financial companies
2. Small finance banks
3. Regional rural banks
4. Scheduled commercial banks
(A) P-4, Q-2, R-3, S-1
(B) P-1, Q-3, R-2, S-4
(C) P-2, Q-4, R-1, S-3
(D) P-3, Q-1, R-4, S-2

May/June 2024

113. What is the core rationale behind the Malegam Committee recommending a "margin cap" for MFIs?
(A) To encourage institutions to invest in high-risk stock market derivatives to improve their overall financial performance.
(B) To ensure that commercial banks only provide loans to MFIs that are backed by one hundred percent liquid collateral.
(C) To limit the spread between the cost of funds and the lending rate, preventing excessive profits from poor borrowers.
(D) To restrict the growth of microfinance institutions strictly to the districts where their headquarters are registered.

Oct/Nov 2008

114. In the context of assignment or securitization without recourse where credit enhancement has been given, which of the following rules applies according to the Malegam Committee?
(A) The entire value of the securitized portfolio must be treated as a risk-based asset for capital adequacy purposes.
(B) The credit enhancement value must be deducted from net owned funds when calculating the total capital adequacy ratio.
(C) The credit enhancement amount should be added directly to the institution's secondary tier-two capital reserves.
(D) The institution is strictly prohibited from continuing to act as a primary collection agent for the assigned loans.

May/June 2006

115. Which of the following is an incorrect statement regarding the Malegam Committee's recommendations on loan sanctioning and recovery?
(A) All sanctioning and disbursement of loans should be done only at a central location.
(B) Field staff should not be allowed to make recovery at the place of residence or work of the borrower.
(C) If coercive methods are used in recovery, the MFIs and their managements should be subjected to severe penalties.
(D) Only one individual should be involved in the loan sanctioning and disbursement function to streamline the process.

Oct/Nov 2017

116. Consider the following statements regarding the proposed uniform policy regime for microfinance:

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lakh groups categorized under NRLM or SGSY schemes. These figures demonstrate the massive scale of the program and its targeted focus on empowering women.

18. (A) P-3, Q-2, R-4, S-1
Microcredit delivery involves various approaches such as the NGO model, which focuses on monitoring and sharing good practices. The Rotating Savings and Credit Association model utilizes cyclical contributions for lump-sum disbursements. Bank guarantees secure loans through external or internal funds. The intermediary model employs "go-between" organizations to build credit awareness and bridge the gap between lenders and borrowers.

19. (A) (I), (II), and (III)
The SHG-Bank Linkage Program operates on the principle that banks lend to groups, which then on-lend to individual members. The groups maintain autonomy by deciding their own internal interest rates and terms. A core motto is 'savings first and credit later,' which ensures that members develop a habit of thrift and collective financial management before accessing external credit.

20. (A) (I) and (II)
In the Bank Guarantees Model, a financial guarantee is provided to commercial banks to facilitate lending to groups. These funds act as security and can be utilized for various purposes, including covering loan recoveries or insurance claims. Contrary to some assumptions, guarantees can be sourced both externally from donors or internally by utilizing the accumulated savings of the members.

21. (C) Both (I) and (II)
Socio-economic data indicates a massive potential for expanding the SHG network. Statistics show over thirteen hundred lakh households with low monthly incomes, highlighting a significant need for financial services. Current estimates suggest a gap of nearly five hundred sixty lakh households that could potentially form forty-three lakh additional groups, providing a roadmap for future expansion of the program.

22. (B) Grameen Bank Model
The Grameen Bank Model utilizes a phased loan disbursement system where only a few group members receive initial credit. The rest of the group becomes eligible only after the first recipients demonstrate consistent repayment. This structure relies on field managers and intensive monitoring, using peer pressure and collective responsibility to ensure high repayment rates over a fifty-week loan cycle.

23. (A) Only (I)
The contemporary view of the informal sector recognizes its vital role in job creation and income generation rather than just seeing it as a low-productivity area. The Small Business Model supports this by providing microcredit often bundled with technical assistance and enterprise development programs. This holistic approach ensures that small enterprises have the necessary tools to grow sustainably.

24. (D) The total loan outstanding amount for all SHGs as on 31 March, 2021 was ₹103,289.71 crore.
Financial reporting for the twenty-twenty-one fiscal year shows that the total loan outstanding for all SHGs reached over one lakh crore rupees. This substantial figure reflects the deep penetration of micro-lending in the rural economy. Accurate financial data is crucial for assessing the program's impact and ensuring that the credit needs of the marginalized are being met effectively.

25. (B) A group of ten to twenty people from a homogeneous socio-economic class addressing their common financial problems.
A Self-Help Group typically consists of ten to twenty individuals who share similar socio-economic backgrounds. This homogeneity is crucial as it ensures common interests and mutual understanding among members. By pooling their savings and addressing collective financial problems, these groups create a platform for financial inclusion and empower individuals to improve their economic status through mutual aid.

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(B) Yes, because MFIs are encouraged to promote multiple-lending to increase financial inclusion.
(C) No, because the borrower is already over the ₹15,000 absolute debt ceiling.
(D) No, because not more than two MFIs should lend to the same borrower.

Oct/Nov 2020

122. Under the Malegam Committee recommendations, what is the mandated regulatory consequence if the field staff of an MFI forcefully recovers dues at a borrower's workplace?
(A) The MFI is awarded a bonus for ensuring zero NPAs.
(B) The recovery is considered legally valid as long as the principal is recovered.
(C) The MFIs and their managements should be subjected to severe penalties.
(D) The borrower must pay a penalty for forcing the agent to visit their workplace.

May/June 2022

123. The concept of "qualifying assets" introduced by the Malegam Committee primarily ensures that:
(A) NBFC-MFIs maintain at least ninety percent of their assets in government securities and treasury bills.
(B) Commercial banks can acquire any microfinance institution without impacting their own capital adequacy.
(C) NBFC-MFIs primarily serve low-income borrowers with small, unsecured loans intended for income generation.
(D) MFIs can bypass state money lending laws by classifying high-value luxury loans as qualified assets.

Oct/Nov 2023

124. To prevent the adverse features of Ghost borrowers and over-indebtedness, the Malegam Committee recommended that an individual borrower cannot be:
(A) A member of more than one SHG/JLG.
(B) A member of a Joint Liability Group (JLG).
(C) Granted a loan exclusively for income-generating activities.
(D) Allowed the right of prepayment without penalty.

May/June 2016

125. Identify the correct statement regarding the proportion of loans given for income generation by an NBFC-MFI according to Malegam Committee qualifying asset criteria.
(A) The aggregate amount must be not less than 50% of the total loans given.
(B) The aggregate amount must be not less than 75% of the total loans given.
(C) The aggregate amount must be strictly 100% of the total loans given.
(D) There is no restriction on the proportion of loans given for income generation.

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34. (B) 150 participants; minimum 15 to 30 SHGs
Under the Livelihood and Entrepreneurship Development Program, a Project Implementing Agency can cover up to one hundred fifty participants per project. These participants are typically drawn from a cluster of fifteen to thirty Self-Help Groups. This cluster-based approach allows for intensive training, better resource utilization, and stronger support systems for participants engaged in agriculture and allied activities.

35. (B) (I), (II), (III), and (IV)
NABARD provides extensive grant support for promoting and credit-linking SHGs. Funding is sourced from the Financial Inclusion Fund and the Women Self Help Group Development Fund. Support activities include mentoring, financial literacy, and capacity building for various agencies. Importantly, this support is open to diverse partners, including commercial banks and regional rural banks, to maximize outreach.

36. (A) Local programs designed to improve mutual understanding and resolve credit-linkage issues between banks, SHGs, and promoters.
Village Level Programs are localized initiatives supported by NABARD to facilitate better communication between banks and Self-Help Groups. These programs aim to address and resolve specific credit-linkage issues at the grassroots level. By fostering mutual understanding among stakeholders, VLPs help streamline the lending process and ensure that the financial needs of rural communities are met more effectively.

37. (A) (II), (I), (III)
The evolution of MFIs in India began with institutions emerging from the social sector as trusts or societies. Following the Malegam Committee recommendations, many of these entities converted into a specialized category of NBFC-MFIs regulated by the RBI. Subsequently, the RBI recognized industry associations as Self-Regulatory Organizations to oversee the sector and ensure adherence to a code of conduct.

38. (C) Both (I) and (II)
During the twenty-twenty-one fiscal year, NABARD doubled the grant assistance provided to Joint Liability Group Promoting Institutions. The grant amount was increased from two thousand to four thousand rupees per group formed and credit-linked. This enhancement was intended to provide stronger incentives for agencies to promote JLGs, thereby expanding credit access for small farmers and oral lessees.

39. (D) Agriculture and allied activities: ₹5900 — RNFS Activities: ₹8000
The Livelihood and Entrepreneurship Development Program sets specific grant assistance ceilings for different sectors. For agriculture and allied activities, the maximum project cost is five thousand nine hundred rupees per person. In contrast, activities under the Rural Non-Farm Sector have a higher ceiling of eight thousand rupees per person. these limits guide the allocation of resources for training and support.

40. (C) Assertion (A) is true, but Reason (R) is false.
Membership in a Self-Regulatory Organization is voluntary for NBFC-MFIs, although it is strongly encouraged by the regulator. The Reserve Bank does not prohibit the formation of industry associations; in fact, it actively recognizes them to help oversee the sector and enforce ethical lending practices. SROs play a vital role in maintaining standards and protecting the interests of microfinance borrowers.

41. (D) It operates offline and does not empower SHG members to access their own bank accounts through mobile devices.
Project E-Shakti is a digital initiative by NABARD designed to enhance the ease of doing business for SHGs through real-time data capturing. It operates online, allowing banks to access up-to-date financial records for better credit decisions. Furthermore, it empowers SHG members by providing digital access to their own account information, bridging the digital divide in rural financial services.

42. (A) West Bengal
Data from September twenty-twenty shows that West Bengal held the highest percentage share of the total microfinance loan portfolio in India. This reflects the state's highly active microfinance sector and the deep penetration of lending institutions among its low-income populations. Monitoring state-wise portfolio

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hierarchy promotes peer monitoring and mutual support, ensuring high repayment rates while providing essential financial services to low-income women in rural communities.

9. (D) 112.23 lakhs
During the fiscal year twenty-twenty-one, the SHG-Bank Linkage program reached a significant milestone with over one hundred twelve lakh groups linked to the banking system. This expansive network underscores the program's role in driving financial inclusion across India. The data reflects continued growth in savings mobilization and the integration of grassroots communities into formal financial frameworks.

10. (C) Leveraging collective responsibility and peer-based security to mitigate individual credit risks and structural vulnerabilities.
The core philosophy of the Group Model is based on social collateral rather than physical assets. By forming small groups, members assume joint liability for each other's loans, creating a self-regulating environment. This collective responsibility minimizes credit risk for lenders and provides support for individuals who lack personal security, fostering community trust and financial discipline.

11. (A) (I) and (II)
The National Rural Livelihoods Mission estimates a massive credit requirement for rural households organized into SHGs. The mission projects that sixty lakh groups will need forty thousand crore rupees annually during the initial five-year phase. Subsequently, this annual requirement is expected to rise significantly to one lakh crore rupees, highlighting the substantial scale of financial needs for rural empowerment.

12. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Nineteen ninety-two is recognized as a pivotal year for Indian microfinance due to the launch of the SHG-Bank Linkage Program. NABARD initiated this as a pilot project to explore the feasibility of linking informal groups with formal banking. The success of this experiment transformed the landscape, leading to a massive national movement for financial inclusion and poverty alleviation.

13. (A) Savings must occur first, and no credit should be provided without savings.
A fundamental principle of the SHG-Bank Linkage Program is the prioritization of savings over credit. Members must first demonstrate the ability to save regularly before becoming eligible for bank loans. This 'savings first' approach instills financial discipline, builds an internal corpus for the group, and serves as a measure of group stability for the lending institution.

14. (C) A collective repayment obligation where all group members are responsible for the loan if any single member fails to pay.
Joint liability represents a contractual agreement where all members of a microcredit group are collectively responsible for the repayment of loans. If one member fails to meet their obligation, the remaining members must cover the shortfall. This mechanism encourages careful member selection and peer monitoring, replacing the need for traditional physical collateral in microfinance lending structures.

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15. (D) Southern India — 50%
Southern India holds a significant share of bank linkages under the SHG-Bank Linkage Program, but it is officially recorded at thirty-six percent. Discrepancies in regional data often highlight the imbalance between established southern networks and emerging regions like the North East. Accurate statistical tracking is essential for policymakers to direct resources toward underserved areas with high poverty levels.

16. (B) (III), (I), (II)
The evolution of microfinance involved key milestones starting with the adoption of the Banking with the Poor concept by the Foundation for Development Cooperation in May nineteen ninety-one. This was followed by the first regional workshop hosted by the Asian Institute of Management. Finally, NABARD launched the SHG-Bank Linkage Program as a pilot project in nineteen ninety-two.

17. (A) (I), (II), and (III)
In the twenty-twenty-one highlights, women-led groups represented over ninety-seven lakh of the total SHGs linked with banks. The program saw nearly twenty-nine lakh groups credit linked during that year, with over thirty-three

ANSWERS

1. (D) The members rely exclusively on goods or property to back their loans rather than moral collateral.
   Village banks are peer-managed community associations for low-income individuals. They utilize moral collateral and social pressure rather than physical assets to secure loans. Members democratically manage operations, including selecting peers and establishing internal laws. External capital initiates the fund, but sustainability relies on mutual trust and group responsibility among the members.

2. (C) Assigning all internal credit decision-making authority exclusively to the lending bank.
   The SHG-Bank Linkage Program empowers Self-Help Groups to manage internal credit decisions independently. Banks provide external financing, but the group determines individual loan allocations based on member needs. This decentralized approach fosters financial literacy and organizational capacity. Core principles include promoting savings, utilizing joint liability, and building borrower capacity through progressive credit cycles.

3. (C) Small-scale financial services, including credit and thrift, provided to low-income individuals across rural and urban sectors.
   Microfinance involves the provision of small-scale financial products like credit, savings, and insurance to low-income populations. It serves individuals who are excluded from traditional banking systems due to lack of collateral or geographic isolation. By focusing on both rural and urban sectors, microfinance aims to enhance economic opportunities and facilitate financial inclusion for the marginalized.

4. (C) Southern India
   Southern India historically dominates the microfinance landscape in the country, representing a significant portion of the total bank linkages. Regions like Andhra Pradesh, Tamil Nadu, and Karnataka have established robust networks of self-help groups. This high density reflects early institutional support and a strong culture of community-based saving and credit practices compared to other geographical zones.

5. (B) Direct individual corporate lending
   The Group Model centers on collective responsibility and social pressure to ensure loan repayment. This framework inspired successful systems like Grameen banking, village banking, and solidarity groups. These methods leverage peer oversight rather than physical collateral. Direct individual corporate lending, however, focuses on high-value financing for corporate entities based on formal financial statements and assets.

6. (B) To support women-run businesses and SHGs to address the critical socio-economic aspects of gender-based empowerment.
   The establishment of the Women's Bank was a strategic move to address gender-specific financial barriers. By targeting women entrepreneurs and Self-Help Groups, the bank aims to promote economic independence and social empowerment. The operational focus prioritizes inclusive growth and provides customized financial products that cater to the unique socio-economic challenges faced by women in diverse sectors.

7. (C) 17 May 1991
   The Foundation for Development Cooperation adopted the Banking with the Poor concept on May seventeenth, nineteen ninety-one. This initiative aimed to bridge the gap between formal financial institutions and the marginalized poor in Asia. By creating a collaborative network, it facilitated better access to credit and financial services through established non-governmental organizations and community-based groups.

8. (B) Bolivia
   Village Banks CRECER operates extensively in Bolivia, utilizing a structured communal banking method. The model organizes small subgroups of five to eight women within a larger village bank comprising fifteen to thirty members. This

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26. (D) A broad coalition encompassing NGOs, banks, self-help groups, and diverse financial institutions and cooperatives.
The Banking with the Poor Network is an inclusive coalition that brings together diverse stakeholders in the microfinance sector. Its membership includes non-governmental organizations, commercial banks, self-help groups, and various financial cooperatives. This collaborative structure allows for the sharing of best practices and the development of innovative financial solutions tailored to the needs of the poor across Asia.

27. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
NABARD prioritizes the SHG movement in Northern and North Eastern regions because these areas have historically low bank linkage shares despite high poverty levels. With only about five percent share in linkages, these regions represent a significant opportunity for expansion. Targeting these vulnerable populations is essential for achieving balanced national development and providing financial security to the underserved.

28. (A) A group of twelve individuals monthly contributing fixed amounts, with the total pool awarded to one member via lottery.
The Rotating Savings and Credit Association model involves a group of individuals who contribute a fixed amount to a common pool at regular intervals. In each cycle, the total collected amount is awarded to one member, often through a lottery or bidding process. This continues until every member has received the lump sum, providing an informal way to access larger capital.

29. (C) Exactly forty percent of all groups are exclusively women-led, representing a capped effort towards gender empowerment.
The national SHG program in India is characterized by an overwhelmingly high percentage of women-led groups, far exceeding forty percent. In many regions and schemes, women constitute the vast majority of participants, often reaching over eighty or ninety percent. This high participation rate is a cornerstone of the program's success in promoting gender empowerment and social change.

30. (D) Channel 1: Self-Help Group-Bank Linkage Program — Channel 2: Micro Finance Institutions
Microfinance in India primarily operates through two distinct channels. The first is the SHG-Bank Linkage Program, which connects community-based groups directly with commercial banks. The second involves Micro Finance Institutions, which act as specialized intermediaries providing credit and financial services. Together, these channels form a comprehensive ecosystem that facilitates financial access for low-income populations across the country.

31. (C) Because the lack of equity options and commercial constraints hindered the long-term scalability and financial sustainability.
Early microfinance institutions often operated as trusts or societies, which restricted their ability to raise equity capital. This not-for-profit status hindered their long-term scalability and financial sustainability, as they could not attract commercial investment. To overcome these constraints, many institutions transitioned into Non-Banking Financial Companies, allowing them to access diverse funding sources and expand their operations.

32. (B) Provision of daily stipend to participants.
NABARD's updated guidelines for MEDP and LEDP focus on enhancing the effectiveness of livelihood programs through skill building and market linkages. While the programs include training for JLG members and focus on branding and e-marketing, they do not include the provision of a daily stipend for participants. Instead, the focus is on creating sustainable income-generating opportunities and credit linkages.

33. (B) NBFC-MFIs held a loan portfolio share of 30.80%.
As of September twenty-twenty, NBFC-MFIs held a significant thirty point eight percent share of the total microfinance loan portfolio. While banks remained major players, these specialized institutions provide essential credit access to the marginalized. The data highlights a diverse market where different institutional types, including small finance banks and non-profit entities, contribute to the overall growth of the sector.

NODIA

data of Self-Help Groups. By providing 'one-click' access to accurate records, it allows banks to make informed and faster credit decisions. This project is a major step toward bridging the digital divide, ensuring that grassroots groups benefit from modern technology and improved financial transparency.

52. (D) Kerala
The microfinance sector is highly concentrated in specific states, with West Bengal, Bihar, and Karnataka being among the top five in terms of loan portfolio share. While Kerala has a strong cooperative and SHG culture, it does not currently rank among the top five states for the overall MFI loan portfolio. This geographic concentration highlights the regional variations in the growth of the microfinance industry.

53. (C) It facilitates microfinance initiatives, particularly the SHG-Bank Linkage program, through refinance and grant assistance.
NABARD plays a crucial role in the microfinance ecosystem by facilitating the SHG-Bank Linkage program and supporting other initiatives. Rather than providing direct retail loans, it offers refinance support to banks and grant assistance to promoting agencies. This role ensures the flow of funds to rural areas and builds the capacity of grassroots organizations to deliver financial services effectively.

54. (C) (I) and (III)
The Livelihood and Entrepreneurship Development Program was launched as a pilot in late twenty-fifteen to provide a holistic approach to sustainable livelihoods. It operates in a project mode within clusters of villages, contrary to being a one-off training model. The program includes intensive skill building, backward-forward linkages, and extensive handholding to ensure participants can successfully transition into viable economic activities.

55. (C) 70 MoUs
NABARD has actively promoted the Joint Liability Group model by entering into seventy Memorandums of Understanding with various banks across twenty-two states. These agreements facilitate the flow of credit to small farmers and entrepreneurs who lack individual collateral. By formalizing these partnerships, NABARD ensures a structured approach to financing groups and provides necessary support for group formation and credit linkage.

56. (A) (I), (II), and (III)
In September twenty-twenty, the microfinance industry saw varying levels of delinquency, with an overall thirty-plus day past due rate of four point four eight percent. Banks reported a higher delinquency rate in this category compared to NBFC-MFIs. These metrics are critical for assessing the health of the sector and understanding the different risk profiles of various institutional types operating in the market.

57. (A) It offers a holistic framework covering livelihood mapping, trainee identification, resource tie-ups, and credit linkage support.
A unique feature of the LEDP framework is its comprehensive and holistic approach to livelihood development. It encompasses everything from initial livelihood mapping and trainee identification to resource tie-ups and credit linkage support. This end-to-end model ensures that participants are not just trained but are also provided with the necessary ecosystem to sustain their enterprises and access formal credit.

58. (A) The SRO has the absolute statutory power to revoke the banking licenses of commercial banks that fail to lend to SHGs.
While Self-Regulatory Organizations play a major role in overseeing NBFC-MFIs, they do not possess the statutory power to revoke the licenses of commercial banks. That authority remains exclusively with the Reserve Bank of India. SROs focus on administering codes of conduct, managing grievance redressal, and ensuring borrower protection within their specific membership base of microfinance institutions.

59. (C) MEDP focuses solely on theoretical classroom lectures without any objective of imparting practical skills to SHG members.
The Micro Enterprise Development Program is specifically designed to impart practical, skill-based training to SHG members. It goes beyond theoretical lectures, focusing on hands-on activities that enable participants to start and manage micro-enterprises. These programs typically last fifteen days and are part of a

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shares helps identify regions with high credit demand and potential risks associated with geographic concentration.

43. (B) To serve as a model institution that establishes standards for governance, transparency, and fair interest rates for the sector.
NABARD established NABFINS with the vision of creating a model microfinance institution. It aims to set high standards for corporate governance, transparency, and fair pricing within the sector. By operating as a benchmark institution, NABFINS influences the broader microfinance industry to adopt ethical practices and provide better service to low-income borrowers while ensuring financial sustainability.

44. (D) Left Wing Extremism (LWE) and backward districts of the country.
The targeted scheme for promoting Women Self Help Groups focuses on one hundred fifty districts characterized by extreme backwardness or affected by Left Wing Extremism. By focusing on these challenging areas, the initiative aims to provide financial empowerment to women who are most vulnerable to socio-economic instability. This strategic outreach is a key component of national poverty reduction and inclusion efforts.

45. (A) (I), (II), and (III)
NABARD's training initiatives cover a wide range of stakeholders, including bankers, NGO staff, and SHG members. During the twenty-twenty-one period, over one lakh participants received training, contributing to a cumulative total of over forty-two lakh participants. These programs are inclusive and specifically include SHG Federations, which play a crucial role in mentoring and supporting individual groups in their development.

46. (B) P-2, Q-3, R-1, S-4
Microfinance institutions in India adopt various legal forms. NGO-MFIs are typically registered under the Societies Registration Act or Indian Trust Act. Cooperative MFIs follow state-specific Cooperative Societies Acts. Incorporated non-profit MFIs are registered under Section 8 of the Companies Act, while NBFC-MFIs are registered as commercial companies and regulated by the Reserve Bank of India.

47. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
LEDP projects are strategically implemented in clusters of villages that adhere to "panchasutra" principles and have established credit histories. This cluster-based approach is essential because it allows for efficient delivery of intensive training, demonstration units, and handholding. By concentrating resources in specific areas, the program ensures that participants receive the necessary support to establish sustainable livelihoods and successful enterprises.

48. (B) To establish a mandatory Code of Conduct, oversee regulatory compliance, and ensure the protection and education of borrowers.
A Self-Regulatory Organization for NBFC-MFIs serves as an industry watchdog that formulates and administers a mandatory Code of Conduct. Its primary role is to oversee regulatory compliance among its members and ensure that borrowers are protected from unethical practices. By providing education and maintaining a grievance redressal mechanism, SROs contribute to the responsible growth and stability of the microfinance sector.

49. (B) ₹1 lakh
Under NABARD's Micro Enterprise Development Program, the maximum grant assistance provided for a standard training program is one lakh rupees. This funding is intended to cover the costs of skill-upgradation training for about thirty SHG members. The program aims to empower participants to start micro-enterprises by providing practical skills and facilitating the necessary linkages for business development.

50. (B) P-4, Q-1, R-2, S-3
NABARD's interventions include MEDP for short-term skill training and LEDP for holistic livelihood development in clusters. Project E-Shakti focuses on the digitization of SHG data to improve credit access. NABFINS is designed as a model institution to set sector standards. Each of these programs plays a unique role in enhancing the financial and economic well-being of the rural poor.

51. (D) Project E-Shakti
Project E-Shakti uses a specialized mobile application to digitize the financial and social

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I RBI proposes to do away with the interest rate cap on microfinance loans.
II The removal of the cap will make the policy uniform for all regulated entities.
III The removal of the cap is expected to make the market more competitive and promote innovation.
IV The policy mandates that public sector banks must charge higher interest rates than NBFC-MFIs.

Which combination of statements is correct?
(A) (I), (II), and (III)
(B) (II), (III), and (IV)
(C) (I), (III), and (IV)
(D) (I), (II), and (IV)

May/June 2008

117. In the Malegam Committee report, why is the need for a separate state-level regulation, such as the Andhra Pradesh Micro Finance Institutions Act, seen as potentially redundant?
(A) Because all microfinance operations were permanently prohibited across the entire state of Andhra Pradesh.
(B) Because NABARD was granted exclusive jurisdictional and regulatory control over all rural state operations.
(C) Because the specific state act was declared unconstitutional by a ruling from the Supreme Court of India.
(D) Because a uniform and strict regulatory framework provided by the central bank makes separate state law unnecessary.

Oct/Nov 2013

118. An MFI evaluates a prospective borrower whose annual household income is ₹45,000. The borrower requests a loan of ₹30,000, and already has an outstanding indebtedness of ₹10,000. Based strictly on the "qualifying asset" criteria defined by the Malegam Committee Report, will this loan classify as a qualifying asset?
(A) Yes, because the total annual household income falls well below the maximum regulatory threshold of fifty thousand.
(B) Yes, because the primary purpose of the requested loan is for stimulating individual income-generating activities.
(C) No, because the regulatory framework requires the loan tenure to be strictly less than a period of six months.
(D) No, because both the individual loan amount and the total household indebtedness exceed the twenty-five thousand limit.

May/June 2015

119. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): The Malegam Committee recommended exempting entities whose aggregate loan portfolio does not exceed ₹10 crores from registration under the proposed Micro Finance Bill 2010.
Reason (R): This exemption aims to prevent stifling small, community-based microfinance entities with heavy regulatory compliance burdens.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2012

120. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): The Malegam Committee recommended that an MFI should not recover any security deposit from borrowers.
Reason (R): Recovering security deposits increases the effective cost of borrowing for the poor.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2011

121. A rural borrower currently has a loan of ₹10,000 from MFI "A" and ₹8,000 from MFI "B". The borrower approaches MFI "C" for an additional loan of ₹5,000. Assuming the borrower's income qualifies, will MFI "C" be permitted to lend to this borrower under Malegam Committee norms?
(A) Yes, because the total indebtedness will be ₹23,000, which is below the ₹25,000 limit.

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broader effort to provide vocational training and economic empowerment to rural populations.

60. (B) NABARD has developed a business model where banks sign MoUs to take responsibility for extending credit to these groups.
NABARD's strategy for promoting Joint Liability Groups involves a specialized business model where it partners with banks through Memorandums of Understanding. These banks then take responsibility for extending credit to the groups. This approach leverages the reach of the banking system while utilizing NGOs and other agencies as promoting partners to form and nurture the groups effectively.

61. (C) SIDBI Foundation for Micro Credit (SFMC)
In nineteen ninety-nine, SIDBI established the SIDBI Foundation for Micro Credit as a specialized unit to serve as an apex wholesaler for the microfinance sector. This department provides a wide range of support, including loan funds, grants, and equity, to retailing microfinance institutions. Its creation marked a significant step in institutionalizing support for the industry and enhancing credit flow to the poor.

62. (A) Usage of Physical Cash Ledgers — Promoted application
Digital financial literacy programs promoted by SFMC focus on modernizing financial transactions for microfinance clients. They encourage the use of applications like AEPS, BHIM, and USSD-based services to facilitate digital payments. Conversely, the use of physical cash ledgers is a traditional method that these programs aim to replace with more efficient, transparent, and secure digital alternatives.

63. (D) (I), (II), (III), (IV), and (V)
NABARD provides significant refinance support to the MFI segment, adhering to strict eligibility criteria. Institutions must maintain specific grading levels, although relaxations are provided for the North Eastern Region. Financial health, including net profit requirements, is also monitored. During the twenty-twenty-one period, billions of rupees were disbursed, demonstrating NABARD's commitment to supporting the liquidity needs of well-managed microfinance entities.

64. (C) The limited regulatory scope over the sector and lending rates remaining elevated despite the achievement of scale.
The Reserve Bank's consultative paper identifies the limited regulatory scope over certain parts of the sector and the persistence of high lending rates as key drivers of customer indebtedness. Despite achieving significant scale, many institutions have not passed on cost efficiencies to borrowers. Addressing these issues is vital for ensuring that microfinance remains a tool for empowerment rather than a source of financial distress.

65. (A) To expand sustainable microfinance access in underserved regions by introducing new products and increasing transparency.
The World Bank-funded project implemented by SIDBI was designed to enhance the reach and quality of microfinance services. It focused on expanding access in underserved regions, introducing innovative financial products, and improving transparency within the sector. By supporting responsible growth, the project aimed to build a more sustainable microfinance ecosystem that effectively serves the needs of low-income populations.

66. (C) They must have an asset size of more than ₹500 crore.
Under the proposed regulatory changes, 'not for profit' microfinance companies are exempt from certain rules if they meet specific criteria. This includes being registered under Section 8 of the Companies Act, not accepting public deposits, and adhering to household income limits. However, the exemption typically applies only to smaller entities; those with an asset size exceeding five hundred crore rupees are usually not exempt.

67. (C) Ramgarh (Jharkhand) and Dhule (Maharashtra)
Project E-Shakti was initially launched as a pilot in late twenty-fifteen in the districts of Ramgarh in Jharkhand and Dhule in Maharashtra. This initiative aimed to test the feasibility of digitizing Self-Help Group records to improve transparency and bank linkage. The success of the pilot led to the gradual expansion of the project across hundreds of districts nationwide.

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a centralized system. The Malegam Committee emphasized that recovery should not be made at the borrower's home or workplace to prevent harassment. Furthermore, severe penalties are mandated for any use of coercive recovery methods, ensuring that micro-lending practices remain ethical and respectful of the borrowers' dignity.

116. (A) (I), (II), and (III)
The RBI's move toward a uniform policy regime involves removing interest rate caps to promote market competition and innovation across all regulated microfinance entities. This change ensures that banks and MFIs follow the same regulatory principles, fostering a more transparent and dynamic market. Importantly, this uniform approach does not mandate different interest rate levels based on institutional type but focuses on a level playing field for all providers.

117. (D) Because a uniform and strict regulatory framework provided by the central bank makes separate state law unnecessary.
The Malegam Committee argued that a robust and uniform regulatory framework established by the Reserve Bank of India would make separate state-level laws unnecessary. Centralized regulation provides a consistent set of rules that protects borrowers across the entire country, reducing the administrative burden of complying with varying state acts. This uniform oversight is seen as the most effective way to ensure ethical conduct and stability in the microfinance sector.

118. (D) No, because both the individual loan amount and the total household indebtedness exceed the twenty-five thousand limit.
Under the original Malegam Committee norms, a qualifying asset must adhere to strict caps on both the individual loan amount and the total indebtedness of the borrower, which were initially set at twenty-five thousand rupees. In this scenario, the requested loan plus the existing debt would exceed these regulatory thresholds. Consequently, the loan would not meet the criteria for a qualifying asset, regardless of the borrower's annual household income.

119. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The Malegam Committee recommended exempting very small microfinance entities with portfolios under ten crore rupees from certain registration requirements. This was intended to nurture small, community-based organizations that might otherwise be overwhelmed by the costs and complexity of full regulatory compliance. By reducing the administrative burden on these smaller players, the committee aimed to maintain diversity and grassroots participation in the microfinance sector.

120. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Recovering a security deposit from a microfinance borrower is discouraged because it effectively increases the cost of credit. By requiring a portion of the loan to be kept as a deposit, the institution reduces the actual amount the borrower can use while still charging interest on the full principal. Eliminating these deposits ensures that the poor have access to the maximum possible amount of capital for their income-generating activities.

121. (D) No, because not more than two MFIs should lend to the same borrower.
A key recommendation of the Malegam Committee to prevent over-indebtedness was the two-lender rule. This rule states that an individual borrower should not receive loans from more than two different microfinance institutions at any given time. Even if the total debt amount remains within the permitted limits, the introduction of a third lender is prohibited to maintain effective oversight and prevent unsustainable borrowing patterns among low-income clients.

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122. (C) The MFIs and their managements should be subjected to severe penalties.
The Malegam Committee proposed strict disciplinary measures against any microfinance institution that uses coercive or disrespectful recovery tactics. Specifically, recovery at a borrower's workplace or residence is strictly controlled. Any violation of these ethical standards should lead to severe penalties for both the MFI and its management. This ensures that

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76. (D) NABARD extended refinance of ₹12227 crore to the banks during 2020-21.
During the twenty-twenty-one fiscal year, NABARD provided over twelve thousand crore rupees in refinance support to banks for their lending to Self-Help Groups. This support is a critical component of the SHG-Bank Linkage program, ensuring that commercial and regional rural banks have the necessary liquidity to continue providing credit to grassroots communities across the country.

77. (D) It aimed to establish a level playing field by applying uniform policy regulations to all RBI-regulated microfinance entities.
The RBI's June twenty-twenty-one consultative document proposed a significant shift toward a uniform regulatory framework for all microfinance lenders. By applying consistent rules to banks, NBFC-MFIs, and other regulated entities, the central bank aims to create a level playing field. This approach ensures that all microfinance borrowers receive similar protections regardless of the type of institution they borrow from.

78. (C) Both (I) and (II)
The National Microfinance Support Program involved key collaborations between SIDBI and international agencies. Partnerships with the UK's DFID and IFAD in Rome provided the necessary funds for on-lending to partner MFIs. These collaborations were instrumental in scaling up microfinance operations in India and provided a robust foundation for institutional growth and the delivery of financial services to rural areas.

79. (B) Poorest States Inclusive Growth Program (PSIG)
The Poorest States Inclusive Growth Program was a major initiative funded by UK Aid and implemented in four key Indian states with high poverty levels. Running from twenty-twelve to twenty-nineteen, the program focused on expanding the provision of financial services and improving the economic environment for the poor. It aimed to foster inclusive growth through policy advocacy and institutional support.

80. (A) P-4, Q-3, R-2, S-1
The Harmonized COCA Tool focuses on several critical areas of institutional conduct. Transparency ensures that pricing information is clear and accurate. Grievance redressal focuses on resolving customer complaints effectively. Client protection safeguards against abusive recovery and over-indebtedness. Governance involves the board's oversight of ethical practices. These dimensions together ensure that microfinance institutions operate responsibly and prioritize the welfare of their clients.

81. (A) Assessing annual household income and capping total repayments at half of that identified income level.
The RBI's proposed uniform regime involves withdrawing several specific restrictions currently applied only to NBFC-MFIs, such as the two-lender rule and minimum loan tenures. However, it maintains the critical requirement of assessing household income and capping total repayments at fifty percent. This core principle is essential for protecting all microfinance borrowers from falling into a cycle of unsustainable debt.

82. (B) P-2, Q-1, R-4, S-3
SIDBI's microfinance history includes the nineteen ninety-nine creation of SFMC as an apex wholesaler. The National Microfinance Support Program followed in early two thousand in collaboration with DFID. Later initiatives included the UK Aid-funded PSIG program for specific states and the establishment of the India Microfinance Equity Fund in the twenty-eleven-twelve budget to strengthen MFI capital bases.

83. (D) Capacity Assessment Rating (CAR)
SIDBI pioneered the Capacity Assessment Rating as a standard tool for evaluating the risk perception of microfinance institutions. This concept provides a comprehensive analysis of an MFI's operational and financial capabilities. By standardizing the assessment process, CAR helped build confidence among lenders and investors, facilitating a greater flow of credit to the microfinance sector during its formative years.

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92. (C) The full value of the outstanding loan portfolio that has been assigned or securitized is considered a risk asset.
According to the Malegam Committee, when an NBFC-MFI assigns or securitizes its loan portfolio with a recourse provision, the institution retains the underlying risk. Therefore, for the purpose of calculating capital adequacy, the full value of the outstanding assigned portfolio must be treated as a risk-weighted asset. This ensures that the institution maintains sufficient capital to cover potential defaults in the securitized pool.

93. (C) It created a benchmark that served as a protection for banks with lower funding costs rather than for the intended MFIs.
The RBI's consultative document noted that interest rate caps designed for NBFC-MFIs often became a de facto benchmark for other lenders. Banks with significantly lower funding costs frequently charged interest rates near these caps rather than passing their cost advantages to borrowers. This unintended consequence highlighted the need for a more uniform and competitive pricing framework across all microfinance providers.

94. (C) There must be a minimum period of moratorium between the grant of the loan and the commencement of its repayment.
To ensure that borrowers have sufficient time to utilize the loan for productive purposes, the Malegam Committee recommended a mandatory moratorium period. There must be a specific gap between the disbursement of the loan and the start of its repayment. This practice prevents immediate financial pressure on low-income borrowers and aligns repayment schedules with the typical income cycles of small-scale enterprises.

95. (B) An administrative surcharge for field agent visits.
The Malegam Committee stipulated that the pricing of a microfinance loan should be transparent and limited to three specific components. These include the interest charge, a processing fee capped at one percent of the loan amount, and the actual insurance premium. Institutions are strictly prohibited from adding extra administrative surcharges or hidden fees, ensuring that the total cost of borrowing remains clear and predictable.

96. (B) P-2, Q-1, R-4, S-3
The Malegam Committee recommended specific loan tenures based on the amount borrowed to prevent excessive repayment pressure. For loans up to fifteen thousand rupees, the tenure should be at least twelve months. For higher amounts, the minimum tenure increases to twenty-four months. Furthermore, they emphasized that there should be no prepayment penalties and that a large majority of loans must be for income generation.

97. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The RBI's proposal to remove the limit of two lenders per borrower is based on the shift toward a more comprehensive indebtedness cap. By limiting total repayments to fifty percent of household income across all sources, the specific number of lenders becomes less critical. This change allows for greater flexibility for borrowers while maintaining a robust safeguard against unsustainable debt through an income-based aggregate limit.

98. (A) Borrowers should only be funded as part of a joint liability group, with a maximum of two lenders per individual.
To address the risks of over-borrowing and ghost borrowers, the Malegam Committee recommended that individuals should ideally be funded through Joint Liability Groups. They also proposed a limit where no individual could borrow from more than two MFIs at any given time. These measures were designed to ensure that credit levels remained manageable and that group monitoring effectively reduced the incidence of fraudulent or unsustainable borrowing.

99. (B) They should be denied "priority sector lending" status.
Banks can only claim "priority sector lending" status for their advances to MFIs if the institutions comply with specific microfinance regulations. If an RBI inspection reveals non-compliance, the bank's loans to that particular MFI lose this beneficial status. This mechanism incentivizes

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banks to ensure that their MFI partners adhere to ethical and regulatory standards, thereby reinforcing the overall integrity of the sector.

100. (D) (I), (II), (III), (IV), and (V)
A "qualifying asset" for an NBFC-MFI must meet several strict conditions defined by the Malegam Committee. These include specific borrower income limits, capped loan amounts, and a total absence of collateral. Furthermore, a significant majority of the portfolio must be dedicated to income-generating activities, and loan tenures must be at least twelve months for standard amounts, ensuring the credit serves its intended developmental purpose.

101. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The Malegam Committee suggested exploring Domestic Social Capital Funds to provide a stable funding source for MFIs. This initiative would encourage institutions to issue preference capital, which can be recognized as Tier II capital for regulatory purposes. By facilitating such investments, the sector can improve its capital adequacy and long-term financial stability without relying solely on traditional debt or external donor grants.

102. (A) The SHG model follows a 'savings first' philosophy, utilizing members' own thrift to initiate internal lending cycles.
The defining feature of the Indian SHG model is its emphasis on internal thrift before external borrowing. Unlike the direct credit approach of the Grameen model, SHG members must first pool their own savings to create a fund for internal lending. This process builds financial discipline and group cohesion, ensuring that members are well-prepared to manage larger bank loans when they eventually become credit-linked.

103. (B) Maintain an aggregate provision based on the higher of one percent of the portfolio or specified overdue installments.
For an NBFC-MFI, maintaining adequate financial provisions is a regulatory requirement to cover potential loan losses. The Malegam Committee mandated that the aggregate provision should be the higher of one percent of the total loan portfolio or the sum of specific percentages for overdue installments. This conservative approach ensures that institutions remain solvent even during periods of increased delinquency in their unsecured lending portfolios.

104. (A) P-4, Q-1, R-3, S-2
Regulatory limits for NBFC-MFIs include a ten percent margin cap for large institutions and an interest rate cap on individual loans, previously set at twenty-four percent. Institutions must also maintain a minimum net worth of fifteen crore rupees and a Capital Adequacy Ratio of fifteen percent. These quantitative benchmarks are essential for ensuring that MFIs remain financially sound while operating within fair pricing boundaries.

105. (C) To optimize regulatory resources by focusing on large firms while utilizing bank branches for general monitoring.
The Reserve Bank focuses its direct on-site supervision on larger MFIs due to the high volume of institutions in the sector. To manage resources efficiently, the regulator relies on commercial banks to monitor smaller MFIs through their extensive branch networks. This dual approach ensures that even small entities are subject to some level of oversight while the central bank concentrates its direct expertise on high-impact institutions.

106. (D) (I), (II), and (III)
The RBI recognized that low-income households need credit for various vital purposes beyond income generation, such as medical emergencies or education. Restricting loans strictly to business purposes does not reflect the complex financial realities of the poor. By removing the fifty percent restriction, the regulator allows for more flexible lending that addresses the diverse and urgent financial needs of rural and urban households.

107. (C) 1st April, 2011
The Malegam Committee recommended that its proposals regarding interest rate caps and pricing transparency should be implemented starting April first, twenty-eleven. Setting this clear cut-off date allowed institutions to transition their operations and align their pricing models with the new regulatory standards. This implementation was a major step in standardizing microfinance

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practices across the country and ensuring borrower protection from excessive interest.

108. (A) A company providing financial services to low-income borrowers via small, unsecured, short-term loans for income generation.
An NBFC-MFI is defined as a specialized non-banking financial company that focuses on providing credit to low-income individuals who lack traditional collateral. These loans are typically small, short-term, and intended primarily for income generation. By operating under a specific regulatory framework, these institutions play a vital role in financial inclusion by serving segments of the population that are often overlooked by commercial banks.

109. (A) P-4, Q-3, R-2, S-1
Compliance within the microfinance sector involves multiple levels of responsibility. The primary duty for ensuring compliance rests with the MFI's own management. Banks assist through surveillance at the branch level. The Reserve Bank retains the power to remove leadership in cases of persistent violations. Furthermore, increased regulation and margin caps provided a rationale for exempting MFIs from various state-level money lending acts.

110. (C) Loan Card
A "Loan Card" is a mandatory document provided to every microfinance borrower at the time of loan disbursement. It serves as a transparent record of the loan's effective interest rate, repayment terms, and other critical conditions. The card must be written in a language the borrower understands, ensuring that they are fully informed of their obligations and the cost of the credit they have received.

111. (D) The proposed Act should allow micro finance entities to freely do the business of providing thrift services (accepting deposits).
While the Malegam Committee recommended strong corporate governance and high capital adequacy ratios for MFIs, it did not suggest that they should be allowed to accept public deposits freely. Accepting thrift or deposits remains a highly regulated activity typically restricted to banks and specific classes of financial institutions. Most MFIs are strictly prohibited from taking deposits to protect the savings of low-income populations from potential institutional failure.

112. (A) P-4, Q-2, R-3, S-1
Microcredit in India is delivered through various regulated entities. Scheduled Commercial Banks and Small Finance Banks are major institutional lenders. Regional Rural Banks specifically target rural populations. Non-Banking Financial Companies, including specialized NBFC-MFIs, complement these channels by providing localized and often unsecured credit services. This diverse institutional landscape ensures that financial products are available through different formats to meet the needs of diverse borrower segments.

113. (C) To limit the spread between the cost of funds and the lending rate, preventing excessive profits from poor borrowers.
The primary reason for implementing a margin cap is to prevent microfinance institutions from earning excessive profits at the expense of poor borrowers. By limiting the spread between the institution's cost of borrowing and the interest rate it charges, the regulator ensures that any cost efficiencies are passed on to the clients. This mechanism is crucial for maintaining the social mission of microfinance while allowing for financial viability.

114. (B) The credit enhancement value must be deducted from net owned funds when calculating the total capital adequacy ratio.
In cases where an MFI securitizes a loan portfolio without recourse but provides a credit enhancement, the regulatory treatment focuses on the potential liability of that enhancement. According to the Malegam Committee, the value of this credit enhancement must be deducted directly from the institution's net owned funds. This ensures that the institution's capital position accurately reflects the risk it still carries despite the apparent removal of the assets from its balance sheet.

115. (D) Only one individual should be involved in the loan sanctioning and disbursement function to streamline the process.
To ensure accountability and prevent fraud, the loan sanctioning and disbursement process should ideally involve multiple staff members or

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68. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
SIDBI developed the Code of Conduct Assessment tool to provide an independent, third-party evaluation of microfinance institutions. This tool is essential for ensuring that MFIs adhere to ethical practices and the voluntary industry code of conduct. By providing a fair assessment of compliance, COCA helps maintain trust in the sector and encourages institutions to prioritize borrower protection and transparent operations.

69. (D) (I), (II), (III), (IV), and (V)
The India Microfinance Equity Fund was established with an initial allocation in the twenty-eleven budget and subsequently increased to support the capital needs of MFIs. Operated through SIDBI, the fund has significantly improved the sustainability of numerous institutions. Impact assessments have shown its positive role in strengthening the capital base of socially-oriented MFIs, particularly those operating in underserved areas.

70. (C) Access to formal credit among the sample households decreased across all wealth ranks, negatively impacting saving habits.
The impact assessment study commissioned by SIDBI found that microfinance effectively reaches the poor and underprivileged sections of society, particularly women. Contrary to some assumptions, the study revealed that access to formal credit actually increased among participating households, which in turn had a positive impact on their saving habits and overall economic resilience in rural communities.

71. (B) It should not exceed 50% of the household income.
To prevent over-indebtedness, the RBI proposed a uniform cap on the total repayment obligations of a rural household. This limit is set at fifty percent of the annual household income. This means that the total amount paid toward interest and principal across all outstanding loans must remain within half of the family's total earnings, ensuring financial sustainability for the borrowers.

72. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
NABARD offers a relaxation in the qualifying grading for MFIs operating in the North Eastern Region to encourage financial inclusion in that area. This region faces unique developmental challenges and has traditionally had lower penetration of microfinance services. By lowering the grading threshold, NABARD enables more local institutions to access refinance support, thereby increasing the flow of credit to underserved populations.

73. (A) (I), (II), and (III)
The Harmonized COCA Tool is a comprehensive framework involving hundreds of indicators across multiple dimensions like transparency and client protection. It integrates various industry standards and regulatory codes to provide a unified assessment of MFI conduct. Unlike some confidential internal audits, results from harmonized assessments are typically shared or hosted on websites to promote transparency and accountability within the sector.

74. (A) (I) and (II)
SIDBI has taken significant steps toward responsible finance by creating a Lenders' Forum and facilitating a common code of conduct for the industry. These initiatives promote cooperation among lenders and ensure that MFIs adhere to ethical standards. Furthermore, SIDBI actively sets standards for risk rating and portfolio audits, which are essential for maintaining the financial health and integrity of the microfinance sector.

75. (B) P-2, Q-4, R-3, S-1
The RBI's proposals aim to balance growth with borrower protection. Household income assessment is intended to cap total repayments at fifty percent of income. Eliminating prepayment penalties encourages early loan settlement. A simplified fact-sheet ensures transparent pricing disclosure. Aligning pricing guidelines across all regulated entities creates a level playing field, ensuring that uniform rules apply to banks and NBFC-MFIs alike.

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the rights and dignity of vulnerable borrowers are protected throughout the loan lifecycle.

123. (C) NBFC-MFIs primarily serve low-income borrowers with small, unsecured loans intended for income generation.
The "qualifying assets" framework was designed to ensure that NBFC-MFIs remain focused on their primary social objective. By setting strict criteria for borrower income, loan size, and the absence of collateral, the regulator ensures that these institutions prioritize the financial needs of the poor. This keeps the sector aligned with its mission of promoting financial inclusion and providing productive credit to those excluded from traditional banking.

124. (A) A member of more than one SHG/JLG.
To prevent fraudulent practices and over-leveraging, the Malegam Committee recommended that an individual should not be a member of more than one Self-Help Group or Joint Liability Group simultaneously. This restriction is crucial for maintaining the effectiveness of peer monitoring and ensuring that credit limits are accurately tracked. By preventing multiple memberships, the system reduces the risk of individuals taking on more debt than they can realistically manage.

125. (B) The aggregate amount must be not less than 75% of the total loans given.
According to the qualifying asset criteria recommended by the Malegam Committee, an NBFC-MFI must ensure that a significant majority of its loan portfolio is used for productive purposes. Specifically, at least seventy-five percent of the total loans given must be for income-generating activities. This ensures that microcredit serves as a tool for economic empowerment and poverty reduction rather than being used primarily for consumption or non-productive spending.

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84. (B) ₹1.25 lakh for rural; ₹2.00 lakh for urban/ semi-urban
To expand the reach of formal credit, the Reserve Bank updated the annual household income eligibility limits for microfinance loans. For rural areas, the limit was set at one lakh twenty-five thousand rupees, while for urban and semi-urban areas, it was increased to two lakh rupees. These adjustments reflect changes in the economic landscape and ensure that a larger segment of the low-income population can access regulated credit.

85. (C) Lenders collaborate to ensure MFIs implement responsible lending practices by adhering to a common set of loan covenants.
The Lenders' Forum is a collaborative platform where institutions that provide funds to MFIs work together to ensure responsible lending practices. By adhering to a common set of loan covenants, lenders can effectively monitor the field practices and financial health of the MFIs they support. This cooperation helps prevent over-leveraging of institutions and promotes ethical conduct throughout the microfinance ecosystem.

86. (B) Outstanding balances and existing commitments related to earlier capital support and revolving fund assistance.
With the launch of the India Microfinance Equity Fund, NABARD phased out its previous revolving fund assistance and capital support schemes in April twenty-eleven. However, this discontinuation did not apply to existing commitments or outstanding balances from earlier proposals. This ensured that ongoing projects and previous financial arrangements remained supported while the sector transitioned toward the newer centralized funding mechanism.

87. (A) Only (I)
The proposed common definition of microfinance loans focuses on collateral-free credit provided to households within specific income brackets. While the definition of 'household' is critical, the regulatory focus is typically on the unit that normally lives together and shares resources. This standardization ensures that all regulated entities follow the same criteria when classifying and reporting their microfinance loan portfolios.

88. (A) They were registered as Societies or Trusts, not subjected to regulation and supervision, and lacked collateral security.
In the early stages of microfinance, many programs struggled to access formal funds because they were registered as non-profit societies or trusts. These entities lacked traditional collateral and were not subject to rigorous financial regulation or supervision. The absence of a formal rating mechanism made it difficult for commercial banks to assess their risk, leading to significant barriers in the flow of institutional credit.

89. (B) Strengthening the capital base of small, socially-oriented MFIs in underserved areas to address liquidity challenges.
The India Microfinance Equity Fund was specifically created to address the capital constraints faced by smaller, socially-driven microfinance institutions. By providing equity and quasi-equity support, the fund helps these institutions strengthen their financial position and improve their sustainability. This targeted assistance is crucial for MFIs operating in underserved areas where access to commercial capital is often limited.

90. (A) Mandating that all MFIs must provide interest-free loans regardless of their cost of funds.
SIDBI's role in responsible finance involves setting industry standards through risk ratings, portfolio audits, and impact studies. It also facilitates collaboration through the Lenders' Forum. However, SIDBI does not mandate that MFIs provide interest-free loans. Instead, it focuses on ensuring that lending is transparent, ethical, and conducted at fair rates that reflect the actual cost of providing services to the poor.

91. (A) The share of NBFC-MFIs in the loans outstanding constituted about 85.5%.
While NBFC-MFIs are major contributors to the microfinance sector, they do not hold eighty-five percent of the total loans outstanding. The sector's portfolio is distributed among various channels, including commercial banks, small finance banks, and regional rural banks. This diversity ensures that credit is delivered through multiple institutional systems, although specialized MFIs play a critical role in reaching the most marginalized segments.

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